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10 OCTOBER 1986

EAST EUROPE REPORT

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AGRICULTURE

GERMAN DEMOCRATIC REPUBLIC

ECOLOGICAL ASPECTS OF IMPROVED SOIL FERTILITY EXAMINED

East Berlin KOOPERATION in German Vol 20 No 2, Feb 86 pp 56-58

[Article by Ulrich Neubauer: "Some Basic Questions Regarding Effective Soil Use"]

[Text] The soil is an essential source of social wealth. Karl Marx emphasized that soil in combination with a "quantum of work produces a certain product under conditions of natural fertility..." (1). This productive capacity and the additional advantages that become effective by way of the soil determine decisively its central place in the transition of agriculture to comprehensive intensification. Thus, the growth of the entire sector and the contribution of agriculture to national income depends to a high degree on the effectiveness of soil utilization. From this follows the question of which tasks result primarily for additional intensification. At the same time, higher demands are made of the managers on all levels so that the soil will be cultivated in such a way that through the efforts of collective farmers and farm workers highest yields and results are achieved on the 5,894,000 hectares of utilized agricultural soil with a favorable ratio of expenditure and results.

Demands on Soil Utilization

For the GDR, soil utilization was and is a basic question of intensification in agriculture. Focus of this question is the immediate effective and productive function of increasing the production of bio-mass and its effective use through better utilization of natural local conditions. Beyond that, several additional services performed by the soil in conjunction with its vegetation are of increasing importance to society:

--the buffer and filter function during the biological elimination of harmful materials, and also for maintaining water balance;

--functions influencing the climate as well as

--functions connected with national culture.

From the point of view of society, ecological demands are therefore also made on soil utilization so that the needs of nature and the environment are met. Intensification and the expenditures connected with it are therefore directed

toward increasing bio-mass production and also toward preserving and expanding ecological functions and the effects of soil on national culture.

Through the elimination of utilized agricultural land (industry, housing etc.), the additional services of nature are no longer effective in each hectare, or are effective in diminished form. If it is assumed that for a total elimination of 182,000 hectares (since 1960) expenses for recultivation amount to M20,000 per hectare, then the loss of additional services performed by nature results in additional expenses for collective work of approximately M3.6 billion. It must also be pointed out that the elimination of productive agricultural land results, on the present level of intensification, in considerably higher compensation expenditures for the remaining IN [utilized agricultural land] than was the case, e.g., in the 60's with approximately 34 GE [grain unit] yields per hectare of utilized agricultural land.

In the future the main portion of bio-mass will be produced on "open" acreage, even if through biotechnological means industrial protein production is possible without soil utilization. The primary goal of effective soil utilization is to guarantee the quantitative and qualitative supply of food, and in this the changes in the structure and quality of nutrition requirements must be increasingly considered. The goal to develop fruit and vegetable production, e.g., results in expansion of acreages for these products. Additional demands on intensive soil utilization result from:

- the necessity for socialist countries to supply, in view of the hunger and malnutrition in many developing countries, their own food needs within a relatively short time, and to increase the possibilities of supporting emerging national states,

- the plan to produce a large part of the necessary, basic food in the country itself and

- the growing requirements of industry in agricultural raw materials for traditional and new production sectors.

The central position of soil in the reproduction process of agriculture and the necessity to preserve its functions for society result in the demand to use effectively all land suitable for agricultural production. In this process, a limited elimination of IN for housing, industry and road construction, and through increased utilization of domestic raw materials will be unavoidable in the future as well.

In the transition of agriculture to comprehensive intensification the following aspects are especially important for soil utilization:

First, it is important to implement more consistently the economical utilization of soil in all sectors of the national economy. The annual soil elimination of approximately 6,000 hectares must be further decreased.

Second, utilized agricultural land will further decrease especially in mining areas, suburbs and recreation areas. Recultivation cannot at the present time compensate for these losses in either quantity or quality. It must here be

taken into consideration that the recultivation phase requires 12 to 20 years, and that the expenses connected with it rise constantly.

Third, all small acreages suitable for agricultural production inside or outside the LPG and state farm must be utilized. Economical soil utilization includes individual and collective cultivation of small acreages so that leftover and splinter areas are utilized under expenditure conditions compatible with the national economy.

Fourthly, multiple utilization of acreages must be considered to an increasing degree. Intensification, preservation and expansion of ecological and agricultural functions of the soil are mutually interrelated. It is necessary to expand the protection of drinking water sources, and that will result in extensive restrictions for agriculture, just as it is true for the protection of other natural resources. In the coming years, comprehensive progress must be made in ground water protection. (Installation of water purification plants and of equipment to eliminate remnants of oil, fertilizer and pesticides from run-off water). Regionally different IN requirements must also be observed in order to increase agricultural effectiveness in particular areas and decrease utilization risks.

Fifth, intensive soil utilization requires further perfection of socialist production conditions. The intensification of cooperative relations and the complex application of the principles of socialist industrial management contribute effectively to increased soil production.

The initiatives and activities of collective farmers and farm workers are to be directed toward these conditions and requirements. This concerns primarily the district managers who must see to it that acreage elimination is opposed more effectively, and that the work collectives are enabled to implement consistently the programs for effective soil utilization. The new law on regional popular representation gave local councils increased responsibility for initiating effective measures for economical soil utilization in their districts. Further efforts are needed to adapt economic regulations to the growing demands for effective soil utilization during the transition to comprehensive intensification. A contribution to this effort can be made by economic soil evaluation and the appropriate results within the system of economic accounting.

Preservation and Expansion of Soil Fertility--Components of Comprehensive Intensification

The soil's yield capacity is the focal point of its more effective utilization and of its achievement potential increase. Depending on science and technology, this capacity is greater where more favorable material-technical conditions exist and where the subjective factor becomes fully effective. At the 10th plenary session of the SED Central Committee it was emphasized in this connection that intensification factors are most effective in places "where they are applied in context. Everything must be directed toward constantly raising the yield capacity of the soil". (2)

The crucial point is the expanded reproduction of soil fertility. On its preservation and increase depend a number of combined effects in regard to increasing crop yields and decreasing expenditures in agricultural production. Research done by the Research Center for Soil Fertility in Muencheberg shows that from 10 to 60 percent of the differences in yields are caused by soil fertility conditions.(3)

During the past years, the reproduction of soil fertility has made progress which must be further expanded. Whereas in 1982 the humus balance in the GDR showed a deficit of 4.2 decatons in reproduction-effective organic substance per hectare, the deficit was only 2.8 decatons in 1984. Results of 1985 confirm once again that highest yields and least variations were achieved in the LPG and VEB with an even humus balance.

In order to accomplish the supply tasks of agriculture a yield capacity of at least 50 GE per hectare of utilized agricultural land in relation to national averages (4). This requires increases in soil fertility in new dimensions and partially also higher expenditures per acreage unit. Focal points are the enrichment of soil with organic substance, efforts based on scientifically determined crop rotation, vegetable production, the best possible arrangement of subcrops and stubble crops, straw fertilizing, appropriate use of stable manure, liquid manure and compost and the additional production of organic fertilizers.

Experiences of many crop producers show that positive humus balance results in high and stable yields when plants receive an optimal supply of water. In Luckenwalde Kreis (acreage number 23), for example, yields of 47.4 GE per IN acre could be realized in 1984 with above 100 humus supply for fields and a proportion of 73 percent of the fields receiving regulated water supply. There is a considerable yield increase on improved acreages with positive humus balance through the correct proportionate application of measures that promote fertility. On the average about 25 percent greater yields were produced in the GDR on irrigated land. In order to better utilize these combined effects the cooperation partners should concentrate primarily on improved acreages when allocating humus supplies so that the relatively high advances of funds for irrigation and drainage pay off in appropriate yields.

Of no small importance for intensive soil utilization is the perfection of the material-technical basis. For this reason it is necessary to develop its structure and capacity, as well as the adaptation of its elements to soil conditions, to the point that a best possible bio-mass production is guaranteed with a favorable ratio of expenditures and results.

This is of special importance to agricultural technology. "The important question now is to equip agriculture more and more with the production means that promote economical intensification. Among the most important requirements is the ever improved utilization of natural forces, especially the biological growth factors" (2). Further mechanization requires an organization of machine inventory and effectiveness to the point where the agro-technically most favorable deadlines can be observed and, at the same time, the ratio between expenditure and result can be improved. An increasingly important factor is the adaptation of agro-technology to varying local conditions. This

requires a broad spectrum of application with greater differentiation of types and variants.

Because in the coming years no essential changes in technology supply can be expected, it is important to use available supplies more effectively. This makes it necessary to analyze thoroughly the technical aspects of work processes. Clear understanding of the factors that influence yields through changes in technology evidently results in greatest effectiveness progress under present and foreseeable material-technical conditions. This requires the employment of qualified technicians in the LPG and state farm. Increasingly important is in this connection the construction of agricultural economizing equipment, not only in terms of providing the tools for realizing ideas but as "technological center" that assumes the role of catalyst for perfected technological soil cultivation processes and mechanized solutions.

In general terms, the adaptation of material-technical elements of agricultural production to soil conditions requires an even closer cooperation between science and production in order to guarantee scientific-technical preparations and to achieve from scientific work results that are economical and quickly applicable. Consideration of local conditions makes new demands of the variability in all phases of the cycle science-technology-production, that means during the preparation of scientific-technical solutions, during their materialization and application to agricultural production. In this connection the consultants of scientific-technical centers at bezirk councils, especially, are expected to advise the LPG and state farm in regard to effective introduction of the WTF [scientific-technical research?].

Of great importance for intensification are the results of soil fertility research. Research capacities concentrate primarily on problems that deal with achieving greater economic effectiveness in improving the utilization qualities of the soil, the utilization of its achievement capacity, and the lowering of the consumption of energy, material and work time. This involves new basic solutions for the reproduction of organic substance, the influence of changes in material soil components, the preparation of soil conservation processes and the development of effective means for increasing water utilization. The application of complex processes for increasing soil fertility and yields has proven to be especially effective. Here, production experiments in grain-hoed fruit crop rotation resulted in average increases of 9.6 GE per hectare (3).

Effective soil utilization includes the preservation and gradual expansion of its ecological function. Scientific-technical progress makes it increasingly possible to apply new production processes and technologies so that an agricultural production is guaranteed that is both intensive and protective of the environment. One way is to reduce interferences with the balance of nature to an ecologically and economically reasonable level. Another way--the one to be taken--aims to utilize as effectively as possible the material cycles in agriculture and keep production losses to a minimum. It is clear that everywhere there is a close interrelation between intensification and environmental protection. Comprehensive intensification therefore includes soil protection measures.

The most effective soil protection consists in preserving and increasing soil

fertility. Ecological points of view must in the future be considered more strongly than before, everywhere and in all relevant measures. This includes appropriate local utilization of fields and the application of soil protective work processes.

Utilized agricultural acreage with high biological activity and good technological capacity will do justice to demands for an increasing and effective agricultural production, for a stable, ecological production capacity of agricultural economic systems, and for a beautiful socialist agricultural countryside.

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10 October 1986

AGRICULTURE

GERMAN DEMOCRATIC REPUBLIC

MICROELECTRONICS, BIOTECHNOLOGY RESEARCH BENEFIT AGRICULTURE

East Berlin DEUTSCHE BAUERNZEITUNG in German Vol 27 No 30, 25 Jul 86
pp 6-7

[Interview with Dr Guenther Koehler, director general of the Association of State Enterprises (VVB), by Wilfried Stephan; date and place not specified: "Valuable Reproduction from Few Cells." VVB Seed and Plant Production Quedlinburg Uses Latest Propagation Methods]

[Text] Whoever in agriculture is serious about comprehensive intensification, and whoever wants to produce even more, even better and even more cheaply in the coming years, cannot do without the latest results of agricultural research and the experience of successful LPGs and VEGs. In recent years, micro-electronics and modern biological procedures have become key technologies. How useful they already are, and will be in the near future, was vividly demonstrated at "agra." We are introducing some of the examples on these pages.

Stephan: Enterprises of your VVB also reported at "agra" about the application of new biotechnical methods. How much of these procedures is only dreams of the future, and in how far are they being applied in practice?

Koehler: In addition to the task of breeding new types, the state-owned enterprises of our association are also charged with propagating approved types. Some of them already apply biotechnical procedures in order to make available healthy high-quality seeds and plants, especially free of viruses. This enables us to accelerate the speed of intensification of agriculture. Methods of tissue culture are of great importance to us. Through them, highest-quality plants reach the production enterprises much more quickly and in much larger quantities. In 1986, for example, 2 million guaranteed virus-free chrysanthemum plants were delivered, as well as hundreds of thousands of carnation, gerbera, geranium, hydrangea and other plants. These methods are also increasingly used in fruit growing. We are rapidly increasing our capacity in pomaceous and stone fruit as well as fruitbearing bushes, helping to ensure the fruit growing program of the GDR.

Stephan: But "agra" visitors were also able to admire the propagation of strawberries in a test tube.

Koehler: Yes, in this culture we have several years of experience and great progress in tissue techniques. The VEG ornamental plant seeds Dresden and the LPG plant production Muehlhausen are cooperating closely. This year, the two of them are providing 2 million parent plants for growers in the GDR; as of 1987, it will be 6 to 8 million. This corresponds to a supply degree of almost 100 percent at the higher levels. The primary material consists in about 5,000 meristems, i.e., minute tissue cuttings of sprout tips containing genetically undifferentiated cells capable of division. They are taken from particularly high-yield individual plants. With the so-called in-vitro technique, the enterprises produce from them half a million virus-free plants of the "breeding garden elite" level, from which they raise the number of plants mentioned through intensive propagation. This demonstrates some of the significant advantages of biotechnology.

Stephan: But this also demands some expenditures. What is the ratio between them and the result?

Koehler: At present, some 50 experts in special laboratories of the VVB enterprises are involved in the so-called biotechnological basic technology, the in-vitro procedure. With the help of closed test tubes, artificial culture media and climate chambers, they create the necessary standardized conditions for the respective cultures. Through cloning of phyla and types--raising entire plants from genetically pure cells without fertilization of blossoms--,impressive propagation rates are achieved: in favorable cases, via meristems from one single plant, there can be 1 million progeny. This would be simply unthinkable in traditional soil culture with bulbs and slips. So we are in a position to use the best primary material and make its genetic traits broadly effective. It is difficult to express this advantage in terms of money. With strawberries and fruit, we have also shortened considerably the scale of breeding stages. We can utilize hundreds of hectares of seedbeds for other important tasks. The second point, so far particularly interesting for the practical side, is the high certainty of getting virus-free, completely healthy plants. For this reason alone, one can predict a great future for the new methods in our sector.

Stephan: Biotechnology is probably assured of this future in other areas, also. Where do the enterprises of your VVB expect the greatest effects?

Koehler: Much that lies ahead cannot yet be estimated precisely. But this much is certain: biotechnological methods will sooner or later revolutionize not only the propagation of types, but also continued and new breeding in our sector. Better utilization of natural genetic traits of plants will be ranked much higher among intensification factors. In our breeding goals we are concerned with identifying more rapidly than before

particularly suitable specimens of a genus or type and rapidly reproducing their genetic traits in a large progeny--for instance, through tissue culture. This new method does away with many steps of traditional selective breeding. In this and other ways, for almost all types of fruit, we want to shorten the periods until approval of a new type by 2 to 3 years, in individual cases by 5 or 6 years.

Stephan: In this context, anther culture and microbulbs of potatoes were also mentioned in Markkleeberg.

Koehler: Correct. Anther culture and other techniques are already available for completely identical reproduction of grain, turnips, fodder and vegetable plants as well as for lines with different traits to be used for creating effective hybrids. What is hardly imaginable in nature, is made possible in artificial cultures: pollen from anthers of selected plants germinate without the presence of female egg cells. Through biological tricks, pure genetic progeny is created and propagated. Microbulbs can be similarly used, which today are obtained from sprout tips of potatoes. At the Gross Luesewitz Institute for Potato Research they have also proven to be easily stored depots of phyla and lines.

It is even conceivable that such prepared minibulbs can be planted in the fields instead of entire potatoes. The savings in transportation, costs and time would be enormous.

Stephan: And what about the old dream of breeders to be able to influence directly the desired genes, i.e., to manipulate them?

Koehler: Although nothing spectacular can be expected soon, it is coming closer to reality. Breeding is shifting more and more to the microscopic plane--to the level of the individual cell, even to the cell nucleus. Cells in test tubes are already being used to test their resistance to pathogens, harmful substances and stress situations. They indicate faster and more certainly than the entire plant whether it is worthy of selection.

In the future, the combination of different embryonic cells will be of interest. In this manner, types can be crossbred which in nature are not at all fruitful with each other. And ultimately, "cutting out" undesirable genetic traits from the cell nucleus and adding more valuable ones will become more important. With these breeding methods of the future we can practically program entirely new plants for cultivation.

Stephan: What is VVB doing to transfer these new procedures rapidly into practice?

Koehler: We want to utilize all these speeding-up procedures immediately for breeding. This spring we passed a biotechnology program for this purpose. It outlines the projects up to 1990 and beyond. It is coordinated with the plans of our academic institutions and also with the scientific-

technical progress program and that of CEMA. Of course, the just-mentioned procedures are primarily still in the research and development stage. We are combining our forces with a number of institutes, universities and other institutions on a contractual basis, in order to make rapid progress.

Stephan: Is there specialization?

Koehler: Yes, it is stipulated who is responsible for the scientific development of which plant types, and who transfers new methods of biotechnology with whom into laboratory practice. For example, concerning grain, there is close cooperation between the institutes for breeding research, Quedlinburg, and for grain research, Bernburg-Hadmersleben, with our state-owned enterprises Langenstein and Leutewitz. As of 1988, the VEGs will supply larger amounts of entirely genetically pure summer and winter barley, produced biotechnologically.

Our focal enterprises are in the process of preparing or reorganizing employees, their own research capacities and laboratories in rapid fashion for the application of further biotechnical procedures. In one of our VEGs we will be building a new and larger laboratory just for this purpose.

From Algorithm to Cell Culture

A Small Dictionary of Key Technologies was Published by "agra" Buch

More and more collectives use microelectronics and biotechnology in order to obtain higher economic production results in a short time. But to achieve this, one first has to learn to handle new research findings correctly. In this, one encounters special and foreign words, formerly used only by experts.

An authors' collective from research centers and institutes of the Academy of Agricultural Sciences has now dealt with this fact. "Agra" Buch published a "Small Dictionary of Key Technologies in Agriculture" in two parts. Part I gives information from "algorithm" to "central unit" about concepts, areas of application and development of microelectronics; part II, from "abundance" to "cell, tissue and organ culture" on the use of biotechnologies. When needed, the authors connect it up with other areas of research and practice.

The two brochures will also make it easier for managers and specialists in our LPGs and VEGs to deal with personal computers, electronic systems for production control, and modern breeding methods.

The small dictionary, parts I and II, can be ordered for 3.50 Marks from "agra" Buch, Raschwitz Strasse 11-13, Markkleeberg, 7113, under the order number S 1115.

Captions

1. In Markkleeberg, Frank Wengerodt of the Quedlinburg Institute for Breeding Research explained the advantages of tissue culture. The institute developed biotechnological procedures for breeding and healthy propagation of vegetable and grain types. The small red cabbage plant in the test tube was grown from the sprout tissue of a valuable parent plant. Through repeated division, many pure genetic progeny can be produced. Cooled and supplied with a nutrient culture, they can be stored for some time as a gene depot before being transplanted into a soil culture.

2. The Computer Helps Control Field Stock.

Microelectronic computers have the greatest economic effects where they are used directly to control and guide production. Dr Wilfried Mirschel of the Muencheberg Research Center for Soil Productivity proved this with a model of a future office for agronomists. Jointly with other institutes and practical partners, the research center is at present developing a complex computer system with various partial programs. The planned, computer-based soil and stock management in a way is a CAD/CAM solution for the plant production enterprise. The agronomist can consult the personal computer time and again from the annual cultivation planning to control and analysis of the results. The objective is to make error-free decisions and to observe biological reciprocal effects in crop rotation planning, type selection, soil cultivation, seeding, fertilization, plant protection, irrigation, stock control, and harvest. In this manner, highest yields with the least possible expenditure can be attained. This, however, presupposes high standards of management and organization. Per field, the computer must be fed annually at least 300 pieces of information, measuring and observation data.--Correct ones, naturally, else it will make mistakes, also.

3. The biotechnical procedure of "embryo transfer" has now reached the practical stage in the case of cattle. Our breeding centres can now use mother animals with particularly valuable genes much better, namely as donors of fertilized eggs which are transplanted into the uterus of other cows and borne by them. In this way, such an animal can have 40, 50, or even 60 progeny instead of 5 to 8 born by herself. At "agra," latest test results could be seen, which accelerate breeding progress: calves and uniovular twins (see photograph), created by eggs fertilized in vitro or through artificial embryo division, respectively.

4. The combine Horticultural Technology presented an already proven, so-called aerotherm greenhouse. It combines several advantages: a computer regulates water and nutrient dosages as well as the interior temperature. Under the substrate buckets there are wear-resistant heating mats. Moist waste air (for instance, from stables), flowing between two plastic covers, provides good thermal insulation even during freezing weather.

Primary energy consumption is lowered by about 16 percent, the vegetable harvest is earlier and higher by 15 to 30 percent.

AGRICULTURE

GERMAN DEMOCRATIC REPUBLIC

LIGHT SOILS PROVIDE OPTIMUM GROWTH MEDIUM FOR WINTER RYE CROP

East Berlin DEUTSCHE BAUERNZEITUNG in German Vol 27 No 8, 21 Feb 86 p 6

[Article by Guenther Schattenberg: "Heavy Ears of Grain on Sandy Soils"]

[Text] Rye plays a special role in many plant production enterprises. Its share of land cultivated for winter grain is 35.6 percent. Only wheat occupies even more space in the fields. But overall, thought must be given to the yield (see Table). Although it has increased for rye, also, it did not do so to the extent possible. The useful potential of plant varieties is much better utilized for wheat, barley and oats. Recently, practitioners and scientists in the VEG Petkus, kreis Luckenwalde, discussed how to make this proportion more favorable.

Helmut Niendorf, director of the host VEB, stated that in his enterprise, winter rye takes up about 70 percent of the cultivated land and produced an average of more than 40 quintals per hectare during the past 2 years. VEG Petkus is now aiming at 45 quintals per hectare in its D-2 location (26 fields). In some fields, "Janos," "Muro", and a new variety have already reached this level.

Helmut Niendorf says that if rye is to produce that much grain, we must treat it as intensively as wheat or barley. This means planting it on soils well supplied with organic substances, lime, phosphorus, potassium and magnesium. Optimum sowing time is between the end of September until mid-October at the latest, whereby 300 to 350 seeds capable of germination per square meter are drilled to a depth of 2 to 3 centimeters into the prepared soil. Tracks, set 18 meters apart, help to precisely distribute nitrogen and plant protectants. Regular checks serve to influence the crops in accordance with the situation, since at harvest they should have about 550 heavy ears per square meter. For harvest threshing, the principles of optimum processing are applied.

Dr Karl-Heinz Riemann of the Institute for Breeding Research Guelzow-Guestrow demonstrated with the example of the LPG Plate, kreis Schwerin, that winter rye can produce astonishingly well even in sandy soils with low water tables (D-1 location). Even in the poorest soils, the LPG succeeded in 1981 to 1985 in increasing the average yield by about 9 quintals per hectare compared to 1976 to 1980. In 1985 it obtained 36.2

quintals per hectare. This success has two solid foundations: the striving for ever higher soil fertility, and correct normative cultivation.

In the LPG Plate the humus balance is right because plant and livestock breeders produce sufficient organic fertilizer and also utilize it effectively. Every pile is jointly assessed. Also very favorable is the sowing of sheep fescue. In the three crop rotations, rye usually follows potatoes, corn, and this fodder grass.

Together with agricultural researchers, the Plate LPG in a way has turned every field into a field of applied science. Through careful field control they establish precise normatives of field-related concepts. This holds true for the autumnal use of soil herbicides (Trazalex), especially against corn grass, as well as for nitrogen fertilization in two or three applications, fighting stalk breakage with bercema-Bitose, and treatment with stalk-stabilizing substances (1.5 to 2.0 liters of Camposan per hectare).

Dr. Hellmut Schwarz of the Ministry for Agriculture, Forestry and Foodstuffs pointed to the necessity of rapidly increasing the rye yield in the GDR to more than 40 quintals per hectare. What led to exemplary results in the VEGs Petkus and Lindenberg, kreis Beeskow, and in the LPGs Plate and Schoenewalde, kreis Herzberg, should be adopted quickly. Thorough analyses indicate that the land area of rye cultivation should not be expanded under any circumstances.

On the contrary, in cohesive soils (locations D-4 to D-6, Loe, A1) wheat and barley should be given preference. Winter rye is and will stay most at home in light soils (D-1 to D-2), where it cannot be replaced with other types of grain. Since it occupies there 50 to 60 percent of the cultivated land, its yield heavily influences the material and financial results of the respective plant production enterprises, and thus also working and living conditions.

Table: Development of Grain Yields in the GDR

	Average in quintals/ha		1985	Utilization of potential (%)
	1976 - 1980	1981 - 1985		
Winter barley	41.4	45.4	52.3	73
Winter rye	27.2	32.3	36.4	59
Winter wheat	41.9	49.2	52.9	75
Summer barley	33.4	40.9	45.3	72
Oats	33.4	37.8	41.3	68

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CSO: 2300/550

AGRICULTURE

GERMAN DEMOCRATIC REPUBLIC

FRG JOURNALISTS INTERVIEW FELFE ON FARM POLICY, TECHNOLOGY

Hamburg DIE ZEIT in German 18 Jul 86 pp 9, 10, 12

[Article by Countess Marion Doenhoff: "Farmers as Microelectronic Engineers"]

[Text] Journey to the other Germany. Twenty-two years ago, three ZEIT journalists traveled through the GDR.

They described their impressions in the series, "Journey to a distant land." Now, an expanded ZEIT team undertook a similar expedition.

For 10 days, 6 editors crisscrossed the GDR. Their impressions will be told in the coming weeks.

The plane from Hamburg to Berlin was late. My colleagues from the editorial staff were already waiting for me--from a distance they appeared like small dots in front of the enormous building on the East Berlin Marx-Engels Square, the seat of the Central Committee of the SED party center. This is the center of power. Once a week, the Politburo meets here. All important decisions are made in this building.

How is this highest political body formed? The base organizations elect the representatives to the kreis delegates' conference. They elect the bezirk delegates' conference, and those in turn elect the delegates to the party congress, the highest body of the Party which elects the Central Committee. They ultimately decide who gets into the Politburo.

The many election steps apparently justify the epithet "democratic." There are, however, informed and even established critics who are of the opinion that those to be elected at all levels were already chosen beforehand, namely by the party apparatus, by bureaucrats--opportunists and careerists in the opinion of some--who know precisely what this highest group desires and wants.

We go into the building, which was once the home of the Reichsbank: long, unobtrusive corridors, many doors to the left and right. Through an antechamber we enter the room where we are received by Politburo member Werner Felte, Dipl Ing oec, in charge of agriculture: a jovial, decidedly

friendly and knowledgeable man in his late fifties. We face him across a long table; there is iced coffee.

Werner Felfe's vital dates: born in 1928 in the Erzgebirge, the son of a machine worker; after attending elementary and business school comes commercial apprenticeship. At age 17, in 1945, he joins the KPD. Later he studies at the Technical University of Dresden, and rises in the SED. In April 1981 he assumed the agricultural sector in the Politburo.

On the 40th anniversary of the democratic land reform, NEUES DEUTSCHLAND wrote in the fall of 1985: "We succeeded in overcoming the centuries-old backwardness of the village and approximating living conditions in the villages to those in cities...Only socialism can ensure an existence in peace, freedom and prosperity." On the same occasion, Werner Felfe gave many examples in his long speech where imperialism had ruined agriculture in the West: "The chronic agricultural crisis is a component of the general crisis of imperialism," he says.

I argue: "Our crisis and yours are diametrically opposed; in the West it is a matter of controlling surplus, while the East tries with all means to stimulate insufficient production." One has to admit, however, that next to Hungary, of all socialist states the GDR is coping best with this problem by far.

"I don't have Mr. Kiechle's problems," Felfe responds, "and I would not want to have them. We supply more than 90 percent of our requirements ourselves, since on an average we have tripled our yields since the land reform, that is, in 40 years. We only import fodder, and the FRG does that, too."

Looking at the figures, there are the following hectare yields for the GDR: wheat, 52 quintals (FRG, 62.6); rye, 32 quintals (43.9); potatoes, 260 quintals (331); sugar beets, 340 quintals (495).

The directive of the 11th SED Party Congress on the 5-year plan demands of agriculture: "The intensification of plant production must be continued in an accelerated manner as a primary task." As means are listed: complex mechanization, more chemicals, melioration, and efficient use of fertilizers and plant protectants. It is also recommended to effectively support performance development and the state of health of livestock through vitamins, antibiotics and veterinary pharmaceuticals.

"On the other hand, experts at a ZEIT agricultural forum listed as decisive problems in the FRG: overproduction, overuse of chemical fertilizers, pesticides and herbicides which cause ecological damage--this means that our problems are 180 degrees different, and the crisis in the East cannot be compared to that of the West."

Felfe objects politely that I had not interpreted the "directive" correctly. It's possible. But it's also possible that reality does not take its cue from the directive, since it also states: "In agriculture,

the advantages of the high level of concentration in the specialized LPGs and VEGs--the agricultural production cooperatives--must be even more effectively utilized in future in the comprehensive intensification of production."

This passage is surprising, since Werner Felfe had just explained to us that the separation of centralized animal and plant production introduced in the 1970's had proven unsuitable; he reported that today, both--the cooperative for livestock production and that for plant production-- in the form of corporations had again been placed under the uniform management of a cooperation council. Of course, only administratively and for bookkeeping purposes--in practice, that development cannot be turned back. Why not?

One only has to imagine it in practical terms: so there are enterprises with 1,000--and sometimes 2,000--head of livestock, and somewhere, many kilometers distant, is the enterprise which produces the necessary fodder and straw; both have to be carted to the livestock stations by the transport brigades, while manure, in turn, is transported back to the plant production facilities. "Unsuitable" appears to be a euphemistic expression.

How did this organizational scheme come about? At first, private farmers were combined in local production communities of 300 to 400 hectares; jointly they formed the supralocal, large cooperatives with several thousand hectares of arable land; later, in turn, they were integrated into gigantic cooperations of an average 5,000 hectares, which for purposes of specialization were ultimately subdivided into plant and animal production units.

Time and again, one is surprised by the enormous over-organization. At least that's what we would call it. There are those "responsible for types of crops," assisted by so-called "normative commissions." There are agricultural-industrial associations, in which livestock and plant enterprises cooperate with "agrochemical centers." They form "melioration cooperatives." Small wonder that there is personnel overstaffing. A dairy operation with 1,900 cows has 73 employees with eight different qualifications--from production managers and veterinarians to milking specialists, electric technicians and bookkeepers. When we were in the GDR 25 years ago, average annual milk production per cow was 2,700 liters; meanwhile production has been increased to 4,000 liters.

A key question in agriculture is: how many workers per 100 hectares? The answer is: 12 in the GDR, 5 or 6 in the FRG. In other words: in agriculture, our work productivity is twice as high as in the GDR. In the GDR, 10 percent of the labor force works in agriculture--it is 4 percent in the FRG.

Felfe had to take on a difficult inheritance. His predecessor, Gerhard Grueneberg, evidently an uninhibited theoretician, was the inventor of that arbitrary, unnatural separation of animal and plant production

enterprises. He apparently had the idea to adapt agriculture to industry, thus obscuring the difference between city and countryside. Despite all warnings, Grueneberg implemented the precipitately executed industrialization of agriculture and caused not only great expenditures, but also considerable damage.

He probably was an unconscionable autocrat. His personal life style--he died in 1981--also seems to indicate this. On weekends, Grueneberg had himself flown to his estate in Mecklenburg in his own helicopter. This was his "party castle" with large hunting grounds. When the Berlin-Hamburg autobahn was being built, originally the route was to traverse Grueneberg's land. But he succeeded in getting the route changed, which made the autobahn considerably more expensive.

The name of Grueneberg and the word "route" suddenly reminded me of something that happened decades ago. At the beginning of the war, the news had spread through East Prussia that the autobahn running from Koenigsberg to the west was to be extended to the east, the entire length of the route to be built through the enterprise which I was administering at the time. The agricultural estates would have been cut off from their fields, an impossible situation from a business management view.

I decided to visit Gauleiter Koch's land planner, Herr von Gruenberg, in Koenigsberg. Herr von Gruenberg listened and went to get a map to clarify for me the purpose of the undertaking. I assumed he would bring a map of East Prussia at a scale of 1 : 25,000; but he reappeared with a world atlas at a scale of 1 : 1,000,000 and declared the "Fuehrer" wanted to bring soy beans from Manchuria to Germany with the help of this autobahn. Stimulated by the story of Mr. Grueneberg, I could not help but think of the gigantic megalomania of Herr von Grueneberg.

In the GDR, enthusiasm for technology is great, and unshakeable is their faith in "scientific-technical progress." In every issue of the DEUTSCHE BAUERNZEITUNG, at the opening of AGRA 86, and on the 40th anniversary of the democratic land reform--time and again this concept appears. Werner Felfe, also, shares the conviction that microelectronics is of great significance in agriculture:

"First of all, it is a matter of developing microelectronic-technical means for the control of various work processes. Secondly, information, control and consultation systems must be created, applying microelectronic equipment and computer technology including software in combination with supervision, control and analysis of processes. Thirdly, we need computer-based information systems to improve the efficiency of decision-making processes at the level of cooperatives and enterprises as well as at the managerial and state authority levels." This faith in science is astonishing. How is it that the inventors of dialectics do not want to see that, at a certain point, chemicals in the fields and drugs in the cow barns no longer bring benefits, but only do damage?

It is also odd that the same people who are now enthusiastic about technical-scientific progress seem to have totally forgotten that in the past they had tried to change life in the country, despised by Marx, into an industrial production process. Today, however, one talks again about peasants, praises their closeness to nature, and invokes the spirit of the village community.

Asking about flight from the land, which for a long time had been a great problem for collective farms and agricultural production cooperatives, the answer is: "That's over." Life in the country is attractive; there exists again the traditional village community life; day care centers and kindergartens, sports fields and shopping opportunities in the LPGs had been created, even some beauty parlors were installed, and more importantly: many apartments had been built. As a matter of fact, young people seem to find an apartment in the country much more easily than in town. And this may be the reason why the average age in LPGs has dropped everywhere--it is now 41.5 years of age. In every issue of the DEUTSCHE BAUERNZEITUNG one can find several advertisements such as these: "New apartment, two-and-a-half rooms and bath near kreis town immediately for rent. Good shopping, kindergarten and day care center available. LPG 'Neues Deutschland.'" "To let, three-room apartment with kitchen, bath, water closet and garage. Possibilities for individual livestock raising available. Write to: 'ZGE Milchproduktion.'"

Much has also been done to train young people. Ninety percent of all agricultural workers have completed their schooling; 9 percent of them are university or technical school graduates. The essential social policy conditions--support for mother and child, vacations, social insurance, eight-hour work day--are the same in town and country. The quality of life is therefore good, and incomes correspond approximately to those of industrial workers.

Agricultural prices are being manipulated in a way similar to ours. In 1984 an agricultural price reform was implemented: since then, the producer receives 60 percent higher prices, but the increase for the consumer is taken up by government price support, which amounted to almost 24 billion Marks last year. In the FRG also, prices are not determined by the market, but by the EC--also far above world market prices. The result: farmers trained to think in commercial terms keep producing without letup, and since the governments were asleep, mountains of butter, beef and other products came into being which cost millions to store in cold-storage depots. Of the DM45 billion which the EC expends on the agricultural market, the farmer receives only about 20 to 25 percent, everything else going to storage and sale at reduced prices.

In summary: on both sides, agricultural policy has led to erroneous results--depending on the tendency inherent in the respective system. In the West it was "striving for profit," in the East the tendency toward "overbureaucratization."

It is said proudly in the GDR: "In no other period of the history of our people were the political, economic and social conditions in the country changed as profoundly as in the years since the democratic land reform." And in the FRG, Hermann Priebe writes in his book, "Die subventionierte Unvernunft" [Subsidized Nonsense] : "Within 20 to 30 years, fundamental changes have occurred in agriculture which are more consequential than all the changes in previous centuries."

It is true, the farmer class which had been the foundation of our life for a thousand years no longer exists--even at the beginning of last century, agriculture formed the basis of life for most people. It exists neither in the GDR nor in the FRG. This is not to be attributed to the primacy of politics, i.e., the different societal systems, but rather to the pressure of modern times: the desire to produce ever more, and the mechanization and specialization of our enterprises.

Motives and methods differ, but the result is the same on both sides of the Elbe River: a prototype of human life style--the farmer--has been alienated from himself, in the GDR as a quasi-employee, in the FRG as entrepreneur on whose farm often not an animal can be found any longer, and in whose stables only machines are left.

Captions:

1. Productive Agriculture:

The GDR makes great efforts to increase yields. Of all socialist countries, it is the most successful. The farmer is given the role of a technical employee.

2. Living in the Country:

For years the GDR tried to adapt the village to the town. Now it again praises the farmers' closeness to nature and invokes the spirit of the village community.

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AGRICULTURE

ROMANIA

APPLICATION OF NEW TECHNOLOGIES IN AGRICULTURE

Bucharest ERA SOCIALISTA in Romanian No 9, 5 May 86 pp 36-39

/Article by Prof Dr Tiberiu Muresan, president of the Academy of Agricultural and Silvicultural Sciences: "Scientific Research and the New Agrarian Revolution"/

/Text/ Nicolae Ceausescu said, "Romania must commit all its forces to scientific, revolutionary reforms and keep up with the best scientific and technological advances in all fields."

Throughout its entire existence the RCP has proved to be the most advanced and rational political force that has risen resolutely to the defense of the vital interests of the people and the nation. The course of history has fully borne out the correctness of its revolutionary policies. Acting in close contact with the masses, together with the people and for the people, and with a high sense of responsibility for the nation's future, the RCP has been militating ceaselessly for Romania's all-around progress and prosperity, for the enhancement of civilization, and for the promotion of the high principles of socialist humanism throughout society as well as the great values and virtues that have always characterized the Romanian people. There has never been a political party in Romanian history that has served the nation's interests and its freedom, independence, sovereignty, welfare and happiness with such consistent devotion.

After the victory of the Antifascist and Anti-Imperialist Revolution for Social and National Liberation, the Romanian people under the glorious party's leadership passed through many stages while implementing a vast process of great revolutionary reforms. Romania was transformed from an agrarian country with an underdeveloped industry and agriculture into an industrial-agrarian country with a strong, modern industry and a fully developing socialist agriculture. The Ninth RCP Congress, the turning point of these radical structural changes, has gone down in the evolution of Romanian society as a critically important event establishing the election of Nicolae Ceausescu, an eminent revolutionary leader and a political figure in the first rank of Romanian history and international affairs. The results of the last two decades have brilliantly evidenced the bold and far-seeing thought of Romania's party and state leader and his noteworthy political, economic and social activity inspired by a powerful patriotic and militant spirit.

The Ninth RCP Congress advanced a new idea of national socioeconomic development and new models for exploiting the human and material potential in a harmonious and uniform whole inaugurating a new era, the most brilliant one in Romanian history, an era of great creative progress in all fields. Under the impetus of Nicolae Ceausescu's innovative scientific thought the party's congresses and national conferences enriched the revolutionary theory and practice of socialist construction by adding vital concepts to them that were combined into a broad and comprehensive strategy for building the fully developed socialist society and for Romania's advance toward communism.

In this vast constructive undertaking the party's policy and program have linked science inseparably and dialectically with construction of the new order, so that in the years of socialist construction science in its constant progress has taken its proper place as an effective productive force, a place well-defined in the strategy of socioeconomic development. The extensive program to develop scientific research, which goes beyond the year 2000 in its outlook, was drafted with the telling contribution of Academician Dr Eng Elena Ceausescu, chairman of the National Council for Science and Education, and it is firmly anchored in the facts and requirements of this period and of the present scientific-technical revolution.

By basing the whole undertaking of socialist construction on the latest scientific advances, the RCP has formed a suitable framework for socioeconomic development in the form of a harmonious unity of programs and actions. The studies in agricultural sciences have made great progress in this highly productive framework. Ever since the very founding of the Academy of Agricultural and Silvicultural Sciences, they have been encouraged and organized so that scientific research can best perform its high mission in the new agrarian revolution.

In Support of Intensive Agricultural Development

Based on the innovating, revolutionary view of the party general secretary, the new agrarian revolution is a process with far-reaching implications aimed at further modernization of agriculture, revolutionary reform of the peasant way of working, thinking and living, and production of high, sure and stable yields. In developing the theoretical and practical bases of the concept of the new agrarian revolution, the party general secretary has opened up broad prospects of modern and intensive development of agriculture as one of the major priorities governing the progress of the national economy and the further improvement of the Romanian people's welfare. As Nicolae Ceausescu said at the Expanded Plenum of the National Council for Agriculture, the Food Industry, Silviculture and Water Management in February 1986, "On the basis of intensive agricultural development we must make a very concerted effort in the Eighth Five-Year Plan to carry out the new agrarian revolution, which requires a reorganization of agricultural production, more intensive growth of production, and a change in the very way of thinking, living and working of all agricultural workers and the entire peasantry." He also pointed out that "The agrarian revolution and intensive agriculture call for a firmer and more determined commitment of agricultural science in all sectors to the proper implementation of our programs."

Romanian agricultural science accordingly bears a heavy responsibility to support and promote as far as it is able the technical progress that will secure

intensive growth of crop and livestock outputs and make an increasing contribution to development of the productive forces in agriculture, for purposes of the fullest possible control of the factors determining the output of this economic sector. In the last 20 years especially the agricultural research potential has been considerably enhanced by development of its technical-material base. The expanded network of research units graphically illustrates this process. In 1944 Romania had three agricultural research institutes and 26 stations, eight institutes and 39 stations in 1965, and now 34 institutes and central stations and 95 experimental stations are in operation in the field of agricultural science. Meanwhile the number of research personnel with higher education has increased by more than 16 times and comes to 3,700 today. Furthermore the funds allocated to agricultural research have increased from about 140 million lei in 1965 to 650 million lei at present, in addition to the 360 million lei allocated to scientific research in the food industry.

By exploiting the conditions created for it through the party's and state's regular efforts, agricultural research developed a great many varieties and hybrids of cultivated plants, including 175 varieties and hybrids of cereals, fodders and technical crops. Of course these accomplishments are of great intrinsic importance*, but they are especially significant for Romanian agriculture as a whole because they secure the nation's independence by meeting the requirements for biologic stock out of domestic production. For instance the sunflower hybrids, a Romanian development that is the first in the world, and the new varieties of barley, sorghum, flax, hemp and fodder plants take up all the cultivated areas, while the corn hybrids are 87 percent of the crops and the new varieties of wheat are 80 percent of them. On the whole, 88 percent of the lands planted in bread grains, technical crops and fodders are now sown with Romanian varieties and hybrids. The most recent developments are the Fundulea-133 and 80, Turda-81 and Suceava-84 wheat varieties, the corn hybrids produced at Fundulea, Podu Iloaiei and Turda, the new sunflower hybrids in the Florom series, the first Romanian variety of monoecious hemp, the first Romanian varieties of white clover, etc.

The whole development of Romanian agriculture shows that production has steadily increased under socialist agriculture in the last few decades, as contrasted with the period between the wars characterized by a stagnation of agricultural production. Thanks to the efforts made wheat production increased relatively steadily by an average of 63 kg per hectare a year (The same rate at which it increased in a country with such an advanced agriculture as England, for example), and 67 percent of that increase was due to use of new varieties and technologies developed by scientific research and introduced into cultivation. Similarly the barley yield, which stagnated in Romania between the wars at an average of 1,100 kg per hectare, has doubled in recent years, which leap is due to the introduction of new varieties developed in Romania. The regular growth of the corn output began in Romania in 1965. Thanks to generalization of the domestic hybrids, the average annual gain in the corn output came to 140 kg per hectare in the 1965-1975 period, about 70 percent of which can be attributed to the better biologic stock developed in Romania.

The yields of the other field crops, as well as those of truck gardening and zootechnology, showed the same favorable evolution. In the last few years the researchers in zootechnolgy have made considerable improvements

*Since every new development is better than the last.

in some breeds of cattle, sheep, horses, hogs, poultry and fur-bearing animals. Outstanding among these are the Ticor de Rusetu type of sheep, the new breed of draft horse (the two types, Baragan and Transylvania, of the Romanian middle-weight horse), the Peris line of boars, the Mini Rock A line of poultry, the golden foxes variety, etc.

In another vital field, that of soil science, the results of the studies made in the last few years to determine and increase the land resources and the increased productive capacity of the soil with prevention and control of its deterioration are effective instruments of vital importance to the new agrarian revolution. The production units and the regional-administrative ones now have the data needed for quantitative and qualitative recording of the agricultural soils, the maps to determine the zoning of crops on the regional and national levels, and a national watching, forecasting and warning system with which to keep checking the condition and quality of the agricultural soils down to the level of the registered unit and plot.

Introduction and Rapid Generalization of Research Findings in Production

Application of research findings to production annually increased the number of agricultural units that obtained record harvests unparalleled in the history of Romanian agriculture by strictly applying the new technologies and recommendations of science. This most convincingly demonstrates the great reserve of productive potential of scientific research. But as long as not all and not even the majority of the units are obtaining very good harvests, scientific research still has an obligation to agriculture that requires both a more sustained and a better organized effort to eliminate the lags and to find the right solutions promptly to the problems that must be solved. There are also lags in development of new livestock breeds and hybrids and of better varieties of some species of garden plants. Rapid generalization in production of the findings of the research institutes and stations is a vital task that still has not been adequately performed.

Production and distribution of seeds in the better biologic categories (a field wherein the units of the Academy of Agricultural and Silvicultural Sciences have fulfilled and overfulfilled their plan) are specific ways of applying research findings to agricultural practice, making it possible to carry out the party administration's directive to sow only elite and cultivation I seed in the production units beginning this year. But in order to provide higher-quality seeds, the research units must exercise a regular and tight control over the way the seed farms apply the technologies. Moreover it is the task of the Fundulea Research Institute for Bread Grains and Technical Crops as well as the research stations to instruct the specialists in the seed-producing units adequately and to control the quality of the operations regularly.

The record yields obtained many units demonstrate the high productive potential of the cultivated varieties, the skill of those who obtained them, and the actual possibilities for greater outputs of bread grains in Romania. But analysis of various units' results under the same climatic and soil conditions reveals great differences. The question that arises, and the party has raised it quite consistently, is how to approximate the yields obtained by the research institutes and stations as far as possible and on the widest possible scale in the agricultural units.

Now we have a wide variety of bread-grain varieties and hybrids well adapted to Romania's climatic conditions, with high resistance to diseases and bad weather and a high productive capacity suiting them for occupation of most of the cultivated area. But we must bear in mind that further improvement of the zoning of the varieties by correlating the natural climatic and soil resources of the various areas with the biologic requirements of each variety is a major source of increased agricultural production and its stability, resulting in a better geographic distribution of the varieties and especially a more balanced structure of the varieties for each individual county.

Although the quality of the present varieties is a great improvement on that of the previously cultivated ones, the effort must be continued and intensified to obtain other and more productive ones with a high resistance to diseases and unfavorable environmental conditions and better suited to the areas with acidic, excessively moist or saline soils, as well as some earlier varieties as the party general secretary has especially requested. As he pointed out, "We must think somewhat more boldly in agricultural science and genetics and use what nature has created for some plants to obtain other new ones by the new way of human intervention."

Cultivation technologies must be suited as well as possible to the various situations that arise in the production units. That requires diversification of the technologies according to the particular conditions on the microzonal level. The new technologies must also reduce energy consumption considerably and enhance economic effectiveness, especially through development of new methods of tillage and sowing and improvement of the combines by the mechanization researchers. More rational use of fertilizers and pesticides also requires measures to increase their effectiveness by developing some new methods and techniques for using them instead of increasing the doses, which leads to greater energy consumption and aggravated pollution.

In general the level of the harvests reflects the quality of the agrotechnical operations, which is a controlling factor in production and its level is up to the agricultural workers, depending in its turn to the greatest extent upon the quality of the collaboration between the research specialists and those in the agricultural units. There are still some unresolved problems of this kind and we researchers must find the best solutions to them promptly and in the directions clearly indicated by the party general secretary. By using the varieties and hybrids developed by research and applying the perfected technologies we shall generalize the best units' high yields throughout agriculture. Meanwhile the effectiveness of research work on zootechnical science and veterinary medicine must be enhanced, particularly in order to find some rational ways to reduce fodder consumption. In other words the primary and objective requirement is to develop the role of agricultural science in the new agrarian revolution by promptly converting the research results to high yields.

Intensive Promotion of the New

The concept of the new agrarian revolution developed and substantiated by Nicolae Ceausescu calls for a considerable increase in agricultural outputs on the permanent basis of scientific and technological progress. By basing development of agriculture and of the other economic sectors as well squarely and consistently upon science and its most useful advances, the RCP has demonstrated its

innovating power once more. The implementation of those guidelines in practice, which are of inestimable theoretical and practical value, has meant the formation of a highly productive framework for all scientific activity that must be used with all dedication and the greatest energy and consistency. As the party general secretary urges the researchers, "We must take determined action in all fields to apply scientific advances and intensify scientific and technological research work."

The Directives of the 13th Party Congress call for accelerated modernization and intensive development of agriculture as one of the main priorities determining the development of the whole national economy and the people's greater welfare. This objective, which is vital to Romania's general progress, requires improvement of all scientific research and technological development.

For the scientists, this is a requirement flowing from the RCP's highly principled position and activity, and it requires a revolutionary effort to promote what is new and better and a bold and always forward view toward new horizons of progress. In the case of the agricultural sciences, genetic engineering and the biotechnologies now come first among those new horizons. For ourselves, development and use of these truly revolutionary tools in the science of today is the only way to progress. Lagging in these fields means risking a stagnation that could be remedied in the future only with great difficulty.

In general the development of new varieties of plants and new breeds of livestock is still dominated by the traditional methods of improvement, which to be sure have been greatly improved by in-depth study of the action of the genes and their localization and transmission to offspring. But the procedures of genetic engineering have begun to penetrate microbial genetics on an increasingly broad front. A result of application of the new disciplines of molecular biology, genetic engineering permits manipulation of the innermost structures of the living cell with the truly revolutionary prospect of creating new species of microorganisms useful in the most varied fields of science, industry and agriculture.

Implanting superior human, animal or vegetal genes in easily cultivated bacteria has now become a method that can be used to produce some organic syntheses, including some active biologic substances that can revolutionize fields like public health, veterinary medicine and zootechnology. In that way genetic engineering is opening the way to development of vaccines that were inconceivable a few years ago and to industrial synthesis of hormones affecting the size and lactation of animals and in the future perhaps even the number of their young.

For agriculture genetic engineering offers a possibility in the future of replacing the nitrogen in chemical fertilizers with biologic nitrogen in order to develop plants that can draw nitrogen from their natural environment. Vegetal organisms that can draw nitrogen and produce yields of phytomass comparable to those of corn, wheat or sugar beets will make much better use of solar energy, that is they will support much greater densities per hectare, will have a better photosynthetic productivity, etc.

Certainly the prospects and also the problems of the new directions of scientific progress (some of which have also been included in the efforts of our genetics and improvement laboratories) do not stop here. But the essential fact,

thoroughly demonstrated by experience, is that the progress made possible by genetic engineering requires not only specialist highly qualified in the field but also production and supply of suitable working tools (restriction enzymes, vectors etc.) which in turn require appropriate studies in physics, chemistry, microbiology etc. Accordingly by its very nature research in genetic engineering requires close collaboration among multidisciplinary teams.

It should also be pointed out that work in a multidisciplinary team is based on a certain research "philosophy" fundamentally different from the traditional one. Contemporary multidisciplinary research proceeds from the objective fact that it is the only efficient strategy and the only possible answer to the avalanche of information involved in the investigation and solution of a scientific or technological problem. Faced with the present information explosion, no attempts of researchers to become encyclopedists like those in past centuries have any prospects of success. But it is absolutely necessary for the researchers working in teams to have enough knowledge to understand the methodological potentials and limitations of the researchers in the other cooperating disciplines. Such training also helps to cement cooperative relations and to increase confidence in the ability of each member of the team to perform his tasks.

By integrating several disciplines in the same research unit, the Academy of Agricultural and Silvicultural Sciences has obtained very important results whose application to production has meant considerable progress in many fields of agriculture. Accordingly almost all the plant varieties and hybrids placed in cultivation in the last few years are the results of close collaboration among agronomists, biologists and chemists. The technologies for raising plants and breeding livestock that are recommended to the agricultural units are based on agronomists' and zootechnicians' studies made with the help of biologists, chemists, physicists, mathematicians, economists and mechanical engineers. Whole collectives of agronomists, mechanical engineers, economists etc. have participated in developing the system of machines for plant cultivation and zootechnology. We feel that what has been done so far to introduce and generalize such an innovating strategy in research is only a beginning that must be expanded and intensified. As Nicolae Ceausescu pointed out, "Performance of the highly responsible tasks of the coming years and national socioeconomic development require a more intensive concentration of forces in all the research institutes... We have strong forces in all research sectors. We must combine those forces on the basis of composite programs and make a very determined effort to solve the problems of each activity more rapidly."

The highly favorable conditions with which the party provides Romanian scientific research, its strong technical-material base, its highly qualified specialists and its present organizational framework obligate all researchers to work with revolutionary perseverance, energy and consistency to carry out the vital tasks confronting science and to apply the results to practice rapidly. That is the guarantee of attainment of the great goals set in agriculture by the 13th RCP Congress and of the success of the new agrarian revolution.

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ECONOMY

INTERNATIONAL AFFAIRS

IRRITANT ACTIONS AT CEMA CUSTOMS OFFICES SKETCHED

Oslo AFTENPOSTEN in Norwegian 10 Sep 86 p 9

[Article by Stein Savik: "Socialist Brothers Are Their Own Best Friends"]

[Text] Warsaw, 9 Sep--The following scene was enacted at a busy border station between Czechoslovakia and Poland this summer: A Czech customs agent ordered a Polish child to take its shoes off "because taking children's shoes out of the country is prohibited." The child shrieked and the mother did not know what to do. Another Polish family gave the child a pair of old slippers so it would not have to travel home in stocking feet.

The Polish customs agents who were in the same building observed the scene without saying a word. They waited until a Czech car came driving in from the Polish side of the border--with new tires that had evidently been purchased in Poland. When the owner was unable to explain where he had obtained the money for the new acquisition, the tires were removed and the car was left standing there on the Polish side. According to a Polish journalist who described this exchange of "customs formalities," no Polish child had to take its shoes off at the border after that.

Unexpected Experiences

The tourist season is the time of year when East bloc citizens have to ask themselves how the much-advertised "brotherly cooperation" among the socialist countries really functions. Now that most of the Polish tourists are home again they can look back on several unexpected experiences in the allied nations.

Eastern currency allowances are not large and therefore it was a real blow when Hungary suddenly demanded this year that Poles traveling through that country show that they were in possession of 150 forints per person per day. But even more unpleasant were the new control routines that Czechoslovakia and Romania introduced without warning Polish authorities in advance.

Poles traveling through these two countries had to write a list of all the valuables they were bringing with them. Items not on the list were confiscated when they left the country. But it was not stated specifically which

items belong in this category. Cameras, portable radios and tape recorders seem fairly obvious. But when some customs officials claimed that razors or some exclusive women's underwear were also "articles of value," the problems began in earnest.

Romanians Strict

Romania was especially strict. There Poles had to put down a "deposit" in hard currency for jewelry, watches, hair dryers and other "luxury items." It is true that the deposit was refunded when one left the country, but not before a fee was deducted.

However these problems were simply additions to many others which make a trip to a "brother country" a complicated affair. Assuming, of course, that one is able to travel at all.

Package Tours

Hungary is the only country that a Pole can visit without a special invitation. In the absence of an invitation from the Soviet Union, East Germany, Romania or Bulgaria one has to be content with a group tour. This is something new that was introduced in 1981 and the connection with the breakthrough of Solidarity is difficult to deny. Of the approximately 4 million Poles who traveled to other countries this year, it is estimated that 75 percent traveled in the socialist bloc. Some 94,000 went on package tours. Individual tourists could only pass through Romania in transit because the required financial agreements between Warsaw and Bucharest were not concluded before the tourist season began.

Currency Regulations

As far as eastern trips are concerned it is not much help that it is easier to get a passport in Poland than it is in most other communist lands. The regulations say that Poles can visit Hungary only once a year and all the other eastern countries only once every other year. In a 2-year period Poles are allowed to exchange 30,000 zlotys for other eastern currencies and a 2-week stay in Bulgaria costs almost the entire amount. The money exchanged is stamped each time in a "currency exchange book," which must be shown at the border.

And unless one is lucky enough to have some western currency it is an obvious temptation to boost the travel account through the sale of more or less sought-after goods in the "brother country." But although the Poles have a reputation for being especially good businessmen, they are no exception in East Europe. The East Germans sell bicycles in Hungary, the Poles and others sell jeans in the Soviet Union and the Hungarians acquire zlotys by selling coffee in Poland. And everyone who can manage it takes Kent cigarettes along to Romania, where they are regarded as the safest kind of currency.

No Boundaries for Black Market

But the list of marketable goods is much longer and the price differences between individual countries increase the sales possibilities. At any rate the black market knows no boundaries in East Europe. And the tourists are certainly the least important part of the problem, even though the strict controls and sudden new regulations affect them most.

Organized smuggling is much harder to deal with and evidently many "experts" are involved here. A Polish newspaper told of the special methods that are used. A gang of smugglers took dollars out of Poland and bought silver necklaces in Vienna and Brussels. These were smuggled into the Soviet Union, where the best price could be obtained. The rubles earned in this way were taken out of the country and sold in Vienna, where new silver necklaces were purchased. The "transaction" went on for 2 years before Polish police got on the smugglers' track.

But in Poland too silver is relatively cheap and three Yugoslavs organized a whole network of illegal buyers. They bought silver intended for industrial use, melted it down and smuggled a total of 160 kg out of the country. To finance the purchases they sold 6,500 digital watches in Poland during the 6 months the "transaction" lasted.

6578

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ECONOMY

CZECHOSLOVAKIA

VINKLAREK VIEWS INTENSIFICATION OF NATIONAL ECONOMY

Prague RUDE PRAVO in Czech 7 Aug 86 p 3

[Article by Vitezslav Vinklarek, deputy chairman of the State Planning Commission: "Intensifying the National Economy"]

[Text] The 17th CPCZ Congress formulated the basic task for our society in the Eighth 5-Year Plan as follows: more decisive implementation of a strategy for accelerating socio-economic development, mainly by intensifying the national economy through consistent practical application of R&D results.

The struggle for intensification, for research and development, for the implementation of structural transformations, and for substantially improved management and planning must become a major part of the activities of party, state and economic organizations. This was the thrust of the Political Report of the CPCZ Central Committee to the 17th Congress.

These and other questions which now face our domestic policymakers will be the subject of a new section in RUDE PRAVO that we have given the title Strategy--Accelerating Socio-Economic Development after the slogan of the Congress. We will develop these issues in a number of articles that RUDE PRAVO will publish, mainly on Thursdays, over the next several months. The first article is devoted to a basic problem, intensifying the national economy. The necessity for an accelerated shift of our economy to a path of intensification was described by the 17th Congress as a "truly revolutionary task that is of the same importance historically as socialist industrialization and the collectivization of agriculture have been in the past."

This new section is also a contribution by RUDE PRAVO to the curriculum for the upcoming year of party education, which will be devoted to a study of documents from the 17th Congress.

Intensification of the National Economy

We have built an economy in this country that is at a high qualitative level and which has huge development reserves at its disposal. The basic problem is how to organize and manage in such a way that these reserves are mobilized and used. There is no longer any other viable long-range strategy for the economy than further development of intensification. Any other apparent alternative

(and the pressure to return to the old ways is strong), even if at some moment it may seem more attractive, is only temporary. We face a period of energetic and patient work that will realize the resolutions of the 17th CPCZ Congress. Planning agencies and all levels of management must apply all their intelligence and abilities to this.

Our economy has an adequate stock of production factors. On an annual per-capita basis we consume almost 7 tons of standard fuel equivalent of primary energy, 970 kilograms of steel, 7 kilograms of cotton, and 800 kilograms of grain.

Our products also include large quantities of nonferrous metals, plastics, wood and other raw manufactured materials. The quantities are in many cases larger than those of the economically advanced countries of Western Europe. Our country has one of the highest levels of employment in the world. We have a broad range of basic capital assets which, unfortunately, are only being utilized for 1.3 shifts. The value of the production from these factors of production is also relatively low in comparison with other developed economies.

Turning such an economy around naturally cannot be done from one day to the next; it requires long, patient work. In past decades we have battled for quantitative increases in output and in this situation, with everyone clamoring for product, certain things were tolerated. Now quality considerations are primary, and this will be true of the future as well. Every national economic plan, especially long-range projections for the economy, must take this seriously into consideration. This means that the position that is often described with the words "we are basically fulfilling the plan but have problems with the quality indicators" is no longer acceptable. Qualitative indicators are critical for the future and will take up more and more space in all types of plans. Failure to meet them will no longer be tolerated.

We are not interested in rapid growth, but rather in high quality economic growth. Scientific and technical progress, improving divisions of labor especially on an international scale, and the mobilization of all available reserves must have an economic impact comparable to that from similar programs elsewhere in the world. This new quality growth takes the form of intensification.

The task also faces us of being able to evaluate how and with what the world will support itself around the year 2000 and how we will want to support ourselves in this future world. From a strategic viewpoint it is not always so important to determine the quantity of the items we will produce. It is more important to determine the level of quality (broadly defined) that we must be capable of producing, and how sophisticated and expensive a production system we wish to have. Both items are extremely important for current decisions on production, especially investments, and for other decisions in the near future.

Focusing on the Parameters of Leading World Producers

We are a small country with an inadequate, uncomplicated raw materials base. This means that we support ourselves not with our natural resources but by our

own work, i.e., by adding value to energy, raw and manufactured materials. We need, moreover, enough value added to make it possible to pay for all these inputs and to generate a national income that is consistently 3.5 percent higher each year than the previous year in areas that will provide us domestically with the maximum benefit. All decisions regarding future production capacity must take this into account.

R&D as a fundamental factor in intensification is a critical question in terms of the preceding. This statement is too restricted for decisionmaking concerning the future. It will also not do us much good if all that we will do is recite the areas of R&D progress currently: nuclear power, flexible production systems, electronization, biotechnology, new materials. What we need are deeds, not just words!

Two matters are important for work at the center and in enterprises.

First, we will never be able to handle all aspects of a given area of R&D progress. Often even much larger countries do not undertake as much work as we sometimes do. We must therefore identify the areas and programs for which we have the potential to make significant progress and in which we can possibly make a significant contribution to world knowledge. We need to make serious choices and focus our scientific and labor resources on the areas that we choose. Naturally this is not meant to rule out research that might lead us in other directions. By focusing our resources we develop the preconditions for developing a number of sectors in selected areas. The remaining information must be obtained through a worldwide division of labor, above all within the context of the Comprehensive Program for Scientific and Technical Progress for CEMA Member Countries Through the Year 2000.

Secondly, we cannot afford to develop new lines of R&D work for their own sake. We are not pursuing electronization just for the sake of electronization, or robots just so we can have a lot of them, or biotechnology for biotechnology, etc. Science and technology do not exist as an end in themselves. In selected areas of R&D we can and must do only that which we are capable of doing efficiently. We want to support the development of selected sectors and allocate significant resources to them in order to improve the efficiency of the entire national economy, not so that we can waste the resources that we have invested in a given area. This must be emphasized.

Comrade Lubomir Strougal made this very clear at the 17th Congress when he said: "When we speak of the need to improve rapidly the technical and economic sophistication of our products we have in mind those capabilities which will be equivalent to those achieved by the leading world producers of the items in question. This is the fundamental criterion against which all innovative changes must be judged."

Even the Best Slogans are Inadequate

The international division of labor and above all current integration processes with the Soviet Union and other socialist countries are also an important factor

in intensification. Slogans are no good here either. Here as well we are facing very serious steps, whose formulation and implementation will require more than a little courage from the center and economic production units [VHJ]. Even small countries develop, with an increasing standard of living, more complicated structures of demand and production. There comes a time when such a country can no longer cover production demands from its own facilities. It must decide, in view of its natural conditions, traditions and the work of its R&D base, which production structure, sectors or products it will produce for its own use and for others, and arrange for the procurement of those products and services that it will not produce. In both cases the courage must be found to pursue seriously the production at a profit of those items to be produced, while just as assertively arranging for those products that will not be produced to be available, through a division of labor, for the domestic market.

Another element of intensification is increasing education and qualifications. The valuation process, the value added to the extensive material inputs for production, must be the result of the application to production of science, research, development, design, engineering, and qualifications of people. Our production must aggregate, in other words, all of the highly qualified work of our population, its education and abilities. Nor should this represent current education levels, but rather those levels that we will require in the period around the year 2000, for which we are laying the foundations now. The people who are entering college today and who will be at the height of their abilities by the year 2000 will not have the luxury of working in simple production environments. This would squander our most important resource. These graduates will have to be able to work with new state of the art capital assets.

Just as at one time our country found the strength to decide and implement a structural change as the "forge of socialism," now at all its management levels it will find the strength to decide about scientific and technical progress, about changes in structure, the division of labor and improvements in planned management so that all of this can contribute to intensifying economic development.

Requirements for Overall Modernization

There are no exceptions to the task of producing products comparable to those of the leading world producers. We cannot assume that it does not matter how we generate electricity on the grounds that users are supposed to find ways to conserve. No one should assume that it does not matter how or why we are producing electronics products because the impact will be felt by the user, etc. We could continue in this vein throughout the economy and always demand that the next fellow make some impact. This is no way to proceed. Every element of the economy must become more efficient.

Important conclusions can be drawn from this related to the future development of the national economy.

1. National economic growth must be achieved without increasing either the inputs or the production costs, especially of fuels and power, as well as providing metals and other raw materials and materials needed for national income formation. At the same time it is essential to increase the value added to the vast majority of raw materials and materials and for primary energy sources.

Our country must achieve a certain level of conservation of energy and raw materials inputs in proportion to overall economic development. This in no way means, however, that this conservation must be achieved at any cost. Expensive construction projects drain resources which could be used to modernize the processing industry, and expensive energy, raw and manufactured materials then increase costs and reduce overall competitiveness. If our overall structural objectives mandate a reduction in the percentage of raw material and energy generation sectors in total production, it must be a top priority to find ways to reduce the costs of obtaining the more expensive raw materials, energy, and materials and to increase radically their valuation.

2. The efficiency of the national economy must be increased mainly by increasing the quality and efficiency of the processing industry. This is precisely the area in which problems are most evident with the commonly held view that if something is not available domestically for either use in production or for popular consumption we should try to produce it domestically. The current domestic product mix is excessive for the capabilities of a small country and every expansion comes at the expense of efficiency. An increase in production efficiency must create the conditions for us to be able to procure abroad what we cannot realistically produce at home.

The most important tasks in this area are in the engineering sector. We need to undertake a general modernization of the national economy. We cannot do this, however, with all necessary machines to be produced by domestic industry. The import of modern technology is one of the key ways for a small country to obtain what it needs to modernize its economy. For this reason the government is setting the groundwork so that practically all increases in our machinery exports can be turned around into machinery imports for Czechoslovakia. This would be a new situation for us.

The Comprehensive Program for Scientific and Technical Progress for CEMA Member Countries Through the Year 2000 projects the achievement of high technical sophistication for some of the machinery and equipment produced in the USSR and other socialist countries. This indicates that we will be able to import enough to cover domestic needs. By the same token this gives us some indication of what we should not bother producing, to what areas we might want to redirect our labor force, capital assets and facilities to increase the sophistication and quality of certain of our products which will represent Czechoslovak specialization and which our trading partners will be interested in purchasing.

A similar problem exists in the production of consumer goods. Higher standards of living will require an ever more extensive assortment of available

goods. Meeting these needs with strictly domestic production would fragment the efforts of the scientific and technical support system and production facilities, thereby weakening efficiency.

Our integration into the international division of labor will therefore be characterized by increased imports of consumer goods and an increased role for imports in meeting domestic demand. Under these conditions domestic production must focus increasingly on a more restricted product line that makes greater demands on qualified labor, that makes it possible to add more value to raw materials and that makes our products more competitive on the domestic and foreign markets. Increased coverage of domestic requirements through imports will free up domestic facilities for the above purpose and for export production.

Developing this type of program, along with the requisite integration into the division of labor worldwide, and gradually implementing everything will require that we overcome many current habits in both management and planning, and a lot of patient work.

Simplified Concepts-A Thing of the Past

All levels of management are responsible for elaborating creatively upon and effectively implementing the resolutions of the 17th CPCZ Congress. This is also true of strategy. The strategy of intensification must be transferred into a program, a plan, specific resolutions and day-to-day decisionmaking. The basis of this work must be the attitude of senior managers towards developing resolutions that will result in significantly improved economic performance in comparison with current habits.

Every technical decision, consideration, job assignment, or use of creative ideas must be calculated and its contributions documented or they lose their purpose. Already a thing of the past is the simplistic view that someone at the center formulates a long-range plan which is then issued to the ministries and the enterprises and that we will all proceed according to this plan. Naturally, at individual levels of management there must be a flow of mutually interacting information that makes it possible to identify phenomena and an optimal solution at each level of management.

The State Planning Commission plays a major role in this, as emphasized in the government decree of 24 June 1986. It is the responsibility of the SPK to organize work, to make use of results that are available from such institutions as the CSAV, the commission for R&D and investment development, institutes of applied research and national economic management agencies.

Currently we are compiling a long-term and timely work program that the CSSR Government will discuss at the end of the year, and which, after calculating national economic efficiency, will emerge in 2-3 years in the Main Objectives of Economic and Social Development Through the Year 2000 and in the guidelines for the 1991-1995 5-year plan.

During the above period sectors and, above all, VHJ are supposed to analyze their position in the national economy and their role in relation to the USSR, other CEMA countries and the rest of the world. They are to prepare a position paper about what is promising in their production plans in terms of efficiency, and which products they have the capability for and which they do not. They should consult on selected programs with their supervisory agencies and develop potential economic operations beyond their potential for implementation. This is not simply a matter of compiling an idea book for the center, but above all, timely in-house preparations for a much more demanding future.

The central and the enterprises must organize the transition of the entire economy to an intensive development path which, on the basis of scientific and technical developments, the international division of labor, increased work force qualifications and the mobilization of all reserves, can deliver all the features of a new, high quality socialist capital replacement process.

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10 October 1986

ECONOMY

CZECHOSLOVAKIA

OPTIMAL SIZE OF ENTERPRISES DISCUSSED

Prague HOSPODARSKE NOVINY in Czech No 32, 1986 p 3

[Article by Prof Alois Remes, doctor of sciences, JUDr, Advanced School of Economics in Prague: "Are Small Enterprises Justified?"; first paragraph is HOSPODARSKE NOVINY introduction]

[Text] In his article "Now It Is a Matter of Readiness" (HOSPODARSKE NOVINY, No 3, 1986) Dr Ivan Strup, candidate of sciences, drew attention to the fact that one of the causes for the low degree of adaptability can be an enterprise's inappropriate size. This idea was supported in HOSPODARSKE NOVINY, No 9, by Dr Eng Zdenik Vavra ("Smaller Enterprises--Yes"), opposed by Dr Jaroslav Schulz ("Numbers Play a Cheating Game," HOSPODARSKE NOVINY, No 11), and supported by Eng Miroslav Gross ("What Matters and What Does Not," HOSPODARSKE NOVINY, No 13). Today's article draws attention to the fact that large enterprises are not necessarily a characteristic of the socialist organization of production and are far from being a guarantee of the efficient course of the economy as a whole. The article stresses that it is necessary to find a final solution to the establishment of new units of optimum size which would respond in the fastest way possible to new requirements, to new discoveries which are realizable under favorable circumstances.

The size of enterprises is primarily influenced by natural conditions which include mainly the natural wealth and demographic factors, the character of basic elements of production, of equipment, of technology and qualification on the one side and methods used in their proportional arrangement within a functioning production unit. This is a scientific-technical development, the significance of which is constantly growing in modern industry. The factor of time comes into play.

For the present, it is still frequently believed that efficiency demands that only the concentration of production grow. But innovation processes are accelerating, the assortment of products is expanding, as is the size of production series. The production of complicated products is broken down into the production of their components. What is overlooked is that scientific-technical development causes a rapidly deepening differentiation in production, and its further fragmentation--specialization and cooperation.

Demands for the differentiation of goods, fashionable novelties, and an expanding scale of substitute possibilities are rising. All of this is happening rapidly.

Up to now, it was taken for granted that social requirements had to be taken care of by the capacities inherent in existing enterprises, some of which were giant in size. The implementation of new products is, therefore, very difficult, takes a long time, and is inefficient. Examples exist which show that a number of our world class inventions did not reach the production stage. It will be necessary to implement the idea that meeting the demands of innovative activity will have to be taken care of in the future even by establishing new enterprises. And this is not merely an organizational and legal matter, but is a complex problem dealing with the economization of scientific-technical progress and the system of management in general.

It is obvious that the magnitude of industrial composition must be sufficiently elastic to permit it not only to realize large strategic and stable production programs efficiently with the largest production runs and series production, but that, simultaneously, from the economic interest of the enterprises--it could manage to rapidly react to everyday minor and manifold and changeable requirements of the population, of foreign trade, and of production itself.

The advantages of small-scale production are not absolute. To permit them to become manifest at all, it is necessary to select adequate forms of organization and methods of management for them. Administratively demanding systems of management deprive small enterprises of their essential advantages, that is to say, their natural elasticity and adaptability. The smaller an enterprise, the more important the economic instruments of management tend to become.

Optimum Enterprise Size

The solution cannot be sought in the equalization of magnitude structures pertaining to enterprises up or down, but in optimum size. We must always keep in mind that the economic independence of an enterprise is only relative under socialism. They form subsystems of a unified socialist economy.

Magnitude groupings of enterprises must be understood as categories characterized by specific functions in the national economy with a special consideration--adaptability. And it is precisely this elasticity which is lacking in the several dozen remaining large-scale units which form the structure of Czechoslovak industry. They constantly complain of the overly broad assortment of production and demand its limitation. However, the market, on the other hand, suffers from an inadequate assortment of goods and a shortage of goods. The foreign trade market complains of the slow innovation of products and of long delivery times. Universal large enterprises are becoming a hindrance to scientific-technical development. Instead of promoting scientific-technical development in their own interests, it becomes necessary to at the very least constantly convince them of its advantages and, from the outside, use various indicators to compel them to undertake innovation.

We have seen this pressure. The industrial goods trade is looking for small producers. It is finding them in that notorious 1 percent of large producers, but only partially. They were found in affiliated JZD production, which was perhaps overly buoyant, but also on state farms. Ready producers are looking for inventors and innovators, as are ministries. The kryokauter [not further identified] product was produced in a small enterprise. In more recent times, the case of the HOP antihumidity compound is known and the large enterprise specializing in its production is only taking it up hesitantly. Even national committees are looking for small enterprises to develop services for the population.

In international comparisons, the difference in the number and size of industrial enterprises in our country and in all industrially advanced nations, be they capitalist or socialist, is conspicuous at first glance.

A typical structural characteristic of an advanced economy is the giant differentiation with respect to the size of its industrial enterprises, which conspicuously contrasts with the equalization of magnitude structures in our country.

Also, a look at the dynamics of enterprise structures in industrially advanced countries is interesting. The comparison clearly indicates that even though the total number of enterprises is rising the relationship between large enterprises, medium enterprises, and small enterprises remains essentially unchanged.

The above clearly documents the unusual tenacity of small enterprises and even their further developmental opportunities, particularly during the era of scientific-technical development. Successes in innovation activity and in scientific-technical development were also reflected in attitudes toward these events. In the economic policy of such countries as, for example, Japan, the FRG, Great Britain, France, the United States, etc., the tendencies to support small enterprises are becoming constantly more pronounced. Of course, it is necessary to differentiate between support with the goal of making them dependent upon large concerns, support aimed at maintaining a certain number of jobs (employment versus unemployment), and support which will help overcome the technological obsolescence and the risk connected with transmitting the results of the scientific-technical revolution to socially weaker strata of the population.

Enterprise or Plant?

Dr J. Schulz in his polemic with Dr I. Strup admits that he is unclear about the concept of enterprises because, even within the framework of our national enterprises, the plants are separated geographically and have a small number of employees and a "considerable cost-accounting [khozraschet] independence." He asks whether or not these plants are enterprises.

And it seems that the concept of enterprise is becoming lost completely in our management practice. One must, therefore, fully agree with Dr Schulz that any kind of more solid solution of these questions must be based on clarifying the

concept of enterprise in general, both in relationship to the concept of plant as well as in relationship to the concept of economic production unit (VHJ).

Plants are primarily technical-production and organizational categories. In contrast to this, enterprises are socioeconomic categories. Their conceptual characteristics are economic independence and legal subjectivity. The term "enterprise" denotes the position of certain units as producers of merchandise who, in their own name and in their own interest, embark upon supplier-consumer relationships, buy and sell, embark upon legal negotiations, and conclude contracts. Their activities are based on the principle of value exchange and profit. In other words, enterprises are manifestations of ownership with respect to the means of production. The socialist state decides which members of its organizational structure it will equip with such a degree of economic independence and legal competence so as to enable them to act as independent entrepreneurs. At the same time, one and the same organizational unit can have the character of a plant and the position of an enterprise simultaneously.

However, we have developed another practice: we connect the concept of an enterprise with organizational units of a higher rank, composed of a larger number of plants. That is why our entire existing economic development is characterized by the gradual liquidation of small and middle-size enterprises, not only through organizational and legal ways (by fusion), but even frequently by the physical liquidation of enterprises themselves, as was the case, for example, with respect to small electric power plants and brickyards and a number of artisan operations. This gave rise to a great difference between the number and the size of enterprises on the one side and the number and size of plants on the other side.

The number of our plants is actually smaller than the number of industrial enterprises in the GDR. Our "plants" as intraenterprise organizational units can in no event be considered in the same light as enterprise units or entrepreneurial units. Their "considerable economic independence" of which Dr Schulz speaks is only the independence of the economic center stemming from simulated, intraenterprise prices. A plant cannot become even a small enterprise even if the enterprise charges it to engage in some legal trade negotiations in its name. The establishment of an enterprise is precisely determined by law.

On the other hand, it must be considered whether or not it is precisely the returning of enterprise status to plants that might not be the principal way toward strengthening cost accounting and utilizing the economic elasticity of small and middle-size enterprises. However, at the same time this is a question pertaining to the concept of the VHJ.

Enterprise or VHJ?

We tend to fog up the concept of "enterprise" not only with respect to plants, but particularly with respect to the economic production units. The impression arises as though enterprises and VHJ's form two different mutually exclusive categories and as though the VHJ's which have been proclaimed to be the principal links in management were displacing or perhaps replacing enterprises.

A fundamental change occurred in 1974, when a new form of VHJ was developed under the title concern. It was developed from the so-called "Chemopetrol experiment." The concern as a whole became a cost-accounting unit. It became a legal economic entity on the basis of its character and function as an enterprise.

As a result, a significant terminological change occurred detaching the designation of "enterprise" from its essence. As a carrier of enterprise functions, the concern is characteristically an enterprise just as much as a specialized enterprise, whereas "concern enterprises" ceased to be actual enterprises on account of their characteristics and functions. They were fused into units whose economic standing and degree of legal authority are determined by the statutes of the concern. So, it is necessary to even look at the thesis that the main link in the management has become the VHJ. The concerns became the principal link in management not because they are a form of the economic production unit, but because they became enterprises in their character. In addition, the question arises whether enterprise cost accounting, elevated to such a high level, is still cost accounting in the true sense of the word or whether this is not already a certain form of transition to direct budgetary management of production and money in circulation.

Enterprises of National Committees and Production Cooperatives

The socialization of small enterprises proceeded very rapidly along two lines--via national committees and production cooperatives. Today, they are represented only by a few hundred mighty enterprises of the local economy (local production and services) and by production cooperatives. As a result, management has become complicated and cumbersome, administrative apparatus have grown, and management costs have increased.

This process of a unilateral and organizationally understood "integration" was also reflected in the liquidation of operations and their replacement by collection networks. However, this has a negative influence not only because costs rise, but primarily because delivery times are extended. Enterprises are thus drawing away from their requirements and are territorially separating themselves from their customs. They become executors of tasks, indicators, and agreements. The result of this liquidation trend is a sharp decline in the number of qualified artisans.

A perfection of the system of management for these enterprises is seen in the increasing of "specialized" management and management specialization is seen in the increase in the number of specialized workers required to fill out the hundreds of forms, documents, and reports, the tens of thousands of indicators and column entries, not only in enterprises, but in national committees, as well as in the growth of requirements for the most modern computer technology. A more deeply based long-term concept is lacking for affecting a remedy.

Even the smallest forms of socialist entrepreneurship must become a system, a long-range variation, a specific subsystem of the socialist economy, capable of replacing or displacing undesirable jobbers.

As far as production cooperatives are concerned, their main problem for the time being is fundamental resistance on the part of the management structure with respect to small cooperatives, as was mentioned by Dr Zdenek Vavra from Brno in his letter. Why could a party of 10, 20, or 30 artisans not establish a small cooperative? In this conjunction, it is necessary to think more about the relationships between production cooperatives and national committees (for example, two large barber enterprises on the territory of the capital city of Prague), the position and functions of the Association of Production Cooperatives as a central organ of state management; consider the difference of the system of management applicable to agricultural cooperatives, etc.

Principles of a Solution

The size of enterprises cannot continue to be solved only formally through single-purpose organizational measures. They should now be mechanically separated in the same way that they were previously combined organizationally. The question of the formation of an optimum economic structure is primarily one of changing concepts. An untraditional approach to social management systems should be effected. The growth of social efficiency cannot depend only on the absolute growth of so-called "organizational concentrations," but on the basis of new enterprises of adequate magnitude.

Eng Vaclav Zitko from Jicin counsels: "Let us establish several small enterprises as an experiment." Through an experiment it is possible to verify only a certain partial methodology and organizational measures under existing or precisely delineated conditions. However, the establishment of an enterprise means creating an entrepreneurial entity which, through the sale of certain products, will cover its own expenses and reap a profit for itself as well as for society. And this is no longer only a question of organization, but a production-technical question, an economic question, and a social question. Someone must issue the establishing document, determine the object of the enterprise, circumscribe its capacity, and equip it technically and with manpower. To merely establish some kind of small enterprise and to fail to determine the conditions of its conduct in advance as well as its method of management and planning, this means to create a unit which is incapable of life.

The solution, thus, lies in recognizing the fact that an unusual need can be met even by a totally unusual method. In the words of a number of party materials--in a new way.

5911

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ECONOMY

HUNGARY

FINANCE MINISTER HETENYI INTERVIEWED

Budapest FIGYELO in Hungarian 28 Aug 86 pp 1, 3

[Interview given to Dr Gyorgy Varga: "Difficulties in Establishing a Relationship Between Commodity [Distribution] and Production Financing"]

[Text] [Question] It would appear that accomodation is the condition upon which our economic vigor and the lasting stability of our international balance rests. So far a sense of need for accomodation has not evolved, has not gained strength within the sphere of production. Would you then agree that for the past several years the 1979 changes in our economic policy have been limited to the sphere of distribution?

[Answer] I agree that our intent to accomodate had manifested itself largely in the sphere of distribution. This was unavoidable. Prompted by a favorable trade balance--an export surplus and a decrease in imports--the sudden increase in demand could not be satisfied in the short run exclusively through excess production. It was for this reason that distribution had to be adjusted to the real production capacity of the economy. Aside from that, however, one must not disregard the steps that had been taken to set the trend for the economy, that were designed to stimulate the increase in supply. Examples include the modification of our pricing system and the stimulation of small business. But hardly any institutional-organizational change or market development took place, and therefore, in light of the accomplishments, the structural steps proved themselves to be weak. As Minister of Finance I do not place any blame on having made changes in the sphere of distribution. These changes had saved us from serious trouble: they protected us against losses. Doubtless, however, the influencing of the process of accomodation should have assumed a significant role within the overall process. For example: the taxation system may act as a stimulant or as a retardent with respect to the transformation of the production structure.

[Question] Indeed, did this stimulate or retard the process? What is the scope of our financial policy?

[Answer] In the broad context of our economic system the primary manifestation of economic policy takes place in the framework of the people's economic plan. This plan includes projected income ratios as well as the chief characteristics of regulation. In saying this, I do not intend to minimize the role of the Ministry, nevertheless it is a fact that we may realize only those parts of the economic policy that are in accord with the plan.

Financial policy has a sphere of flexibility and plays an independent role only to the extent that in formulating the plan for the people's economy we try to influence the economic goals and priorities from the viewpoint of revenue processes, we try to control the feasibility of financing the plan and make recommendations with respect to methods by which the plan may be realized. In judging financial policy as it relates to these goals or the realization of these goals, it is our responsibility to determine whether our forecasts had been realistic, and whether our actions had adequately served the achievement of planned goals. It is in this area that we are weak. Financial policy, after all is part and parcel of a unified economic policy. If we intend to remedy the structural problems of the iron foundry or the coal mining industry (through methods well known to the readers of FIGYELO,) we must channel excess income--quite logically from the profitable areas--into these industries. It is again a different, nevertheless a fundamental issue that in the interest of establishing a more effective financial policy, we introduce methods that enhance the dynamic growth of compatible organizations and at the same time encourage the contraction of non-economical activities. Such methods would better reflect the existing relationship between the commodity market and the money market.

[Question] Following your train of thought, I must ask this question: how would you characterize the current implementation of our economic policy?

[Answer] It is indirect management in the presence of central determinants given both by natural processes and by marketforces...

[Question] With respect to the financial situation of the coal mining or of the iron foundry industries, it would appear that natural determinants play a definitive role in economic decision-making relative to their income processes. This fact is proven by the earmarking of forints also.

[Answer] In an economy in which comparative motives of foreign trade advantages and disadvantages are not dominant factors, and in which competing imports are few, the role of the marketplace is necessarily diminished. But in due consideration of the possibilities, we endeavour to broaden the effective sphere of the market even at the price of gradually increasing competitive imports.

[Question] I find that some economic policy experts do not trust market forces. They do not believe in the determinative influence of imports. They envision the road to economic recovery by way of broad controls over natural processes and in the consistent application of administrative measures.

[Answer] I am far from idolizing given market conditions or the planned regulation of market conditions. These too carry great risks and have disadvantages. But if market conditions are capable of providing an impetus to development, then, perhaps it may be worthwhile to take the risk and to accept possible disadvantages. And even at that, we are not talking about the economy as a whole. We are only dealing within the broad context of the competitive sector, and even within that only with ratios, with the increased need for decisions based on market conditions.

[Question] Some experts blame regulation primarily for the waste of resources and for lack of achievements.

[Answer] Irrational price control regulations or subsidies that continue to support sources of loss and accept such losses as given natural phenomena, indeed may cause waste. But I do not believe that it would be appropriate to perceive proper management as a function of regulation, by saying for instance that the management scheme of an enterprise simply reflects a regulatory plan developed or modified by the state. Regulation takes place at the macro-economic level. It must not be perceived as an all-encompassing factor in the rational management of enterprises.

Regulation must not be equated with socio-economic forces that ultimately define the standard of economic management. I do not believe, for example that the issue of whether one has to work or does not have to work for the wages he earns, depends fundamentally on income regulation, just as profitable enterprise management does not depend on taxation policy.

In saying this, I am not trying to diminish the significance of regulations. But if the debate continues in this vein, we will get stuck in the regulatory game in which regulatory agencies will mistakenly claim credit for all accomplishments, etc. And at this point I would revert to the first question you have asked: the course correction of 1979 was designed to try to remedy an economic crisis that had occurred prior to the need for accelerating economic reform. It is for this reason that the course correction had concentrated primarily upon the sphere of distribution. Accordingly it was a necessary measure, but an insufficient measure. We may hope that the needed changes will be realized through the reform process that is evolving as a result of the Central Committee's April, 1984 determination.

[Question] Some explain the shortcomings of economic management by lack of long-term economic interest.

[Answer] This is a valid concern. Unfortunately even the short term interest in profitability is not sufficiently strong. I am convinced that the long-term view-economic interest-relates to proprietary considerations. Long-term economic interest is embodied in the functions of the proprietor. From this viewpoint I see problems with respect to solutions applied heretofore. They excessively de-personalize the function of collective proprietorship. The situation is being aggravated by an insufficient level of predictability with respect to regulations. It is aggravated, but not quite to the extent as we often hear these days. The aggravated situation is a result of a tense economy and of the interim nature of the economic mechanism.

This issue included, economic theoreticians should deal more intensively with issues pertaining to the objective driving forces of economic management and production. An examination of the economic management system will not provide exhaustive answers, of course, i.e. it will not answer just how, and to what extent our society is achievement-oriented.

[Question] According to scientific experts and enterprise managers, the evolution of achievement-orientation is being hindered largely by the excessive centralization of enterprise income and by the re-distribution of such income.

[Answer] I am convinced that at the people's economy level, the net amounts withheld for purposes of satisfying the common needs of our society are not out of line with with our achievement capabilities. I do agree, however, that the redistribution of moneys among all the enterprises is indeed excessive. Such redistribution takes place in the interest of providing subsidies to enterprises and for purposes of price support. This is caused partly by the establishment of irrational individual prices (prices too "redistribute"), and partly by the previously mentioned production subsidies that have been established by virtue of a national self-sufficiency perception. The extent of these would be the subject of less debate if some other reductions were to be done away with, notably those which are justified by the assurance of additional resources for the exclusive purpose of maintaining uneconomical areas. The situation could be much improved by tax reform, notably with respect to value-added tax and to personal income tax. But this is not a simple issue of taxation techniques either. It becomes useful only if we accept readjustments in the areas of income and production that would follow in the wake of a changed system of taxation, and only if all other aspects of the reform process continue their unbroken progress.

[Question] At the summer session of the National Assembly you mentioned, among other things that only a part of all the significant decisions concerning structure are being placed into plans, and that regulations in individual instances excessively conform to the given situation as it already evolved.

[Answer] Even today, adherence to the levels that have already been achieved is still strong in some areas and organizations. Stabilizing individual enterprises and organizations in the abstract, apart from their production capacity could undermine the stability of the entire economy. This fact had been recognized already in 1979, yet we did not get too far in this respect. Preservation of the status quo had been one of the reasons for the frequent modification of economic regulatory tools, and for the so called exceptions by ordinance. On the other hand, part of the companies that have run a deficit and have lacked operating funds in 1985, have struggled with economic problems for quite some time before. Consequently, their difficulties were not caused by the regulations of 1985.

The passage you have quoted from my report to the National Assembly was based on the consideration that the desired relationship between commodities and the supply of money can only be established inconsistently, and only in certain segments of the economy. It has yet to become part of public consciousness that the relationship between commodities and finances are not based on past economic management. Instead, in many respect they supersede previous economic management, and necessarily preempt certain methods and activities.

The meaning of reform is not the repair of what is old. Reform means that something ceases to exist and something new comes in its place. In practice, however, it is more difficult to make the old cease to exist than to make the new one accepted.

And finally I would like to revert to the issue of lack of confidence. A majority of the leadership recognizes the need to strengthen the relationship between commodities and finances. But some don't really trust [the reform], they like to weigh what it would not resolve, rather than what it would resolve. Meanwhile they make the mistake of believing that changes will occur anyway, the situation will improve even without making any changes. We have difficulties in getting across the concept that there is a relationship between commodities and finances. In any event, this process takes longer than we originally anticipated.

[Question] The Ministry of Finance is frequently being criticized for what they call its 'one-sided budgetary view'.

[Answer] One of the chief functions of this institution is the preparation and the implementation of the state budget. For this reason there should be no misgivings for our feeling a primary responsibility for the budget, especially if we consider that we are operating in an economy in which monetary regulations have little effect. The budget is bound to deal with matters that are truly outside of its domain. I should not have to say that the budget is not approved by the Ministry of Finance. It is approved by the National Assembly. Deficits over and above the levels of deficits planned suggest weakness on our part, not self-serving rigour.

[Question] Why are we trying so forcefully to decrease the budgetary deficit when this year the deficit does not exceed 3-3.5 percent of our gross domestic production?

[Answer] Reduction of our foreign debt has first priority. This means that part of our production income must be paid out to foreign creditors. For this reason we cannot excessively rely upon domestic savings. And besides, the size of deficit is qualified by the creditors' willingness to cover, to finance the deficit under favorable terms. Now, you should consider that deposits made by the population are obligated to the financing of home construction, and that enterprises have a low propensity to save, alternatively that the structural transformation of the economy requires credit from the enterprises. It is only then that one can understand that beyond the present effective scope of monetary policy, it is a balanced budget that permits banks to acquire an increased number of credit sources.

It is not budgetary regrouping, but rather the flow of capital between enterprises and a system of credit that should play a decisive role in the modernization of our production mechanism.

[Question] This, however would result in relatively strong selectivity. Frankly, considering our experiences to date, and in spite of the new liquidation rule, I do not see this coming in the near future. I don't see it coming, if for nothing else because our decision-making mechanism is so slow that forces interested in maintaining the status quo always have time to take strong counter measures. What do you think will happen?

[Answer] I do not see spectacular changes coming in terms of the number of liquidations, but I trust the educational value of the ensuing consequences. The new law is very important, but so far the lack of such law has not been the main obstacle to doing away with uneconomical activities. Every law exerts its power in the framework of a certain socio-economic organ, and the spirit of the law will prevail with increasing consistency as the entire reform movement progresses. This includes our determination to make more consistent decisions.

[Question] What should the enterprises count on: what kinds of regulatory changes are you planning to make in 1987?

[Answer] It is of primary importance to see to it that the rate of increase in nominal wages not exceed the net income rate of increase. Beside observing prevailing income regulations, this would require that wherever there is a decrease in the production of income, such decrease be reflected in employment also. In many areas interest-mediation would be a useful method in this respect.

The other issue pertains to withholdings. The rate of withholdings should not increase faster than the growth rate of our national income. This, however would require the freezing or the reduction of domestic subsidies. I might add: we must express a strong preference for actions aimed at increasing our export capacity, even if in order to accomplish this, we must re-group the income of others. It is important that the regulation provide greater possibilities for tolerable levels of economy with respect to the increase of exports. The system we have today does not satisfy these requirements in every instance.

[Question] By proclaiming various action programs, it is in part the government that creates legal bases for subsidies.

[Answer] Indeed, perhaps there are too many action programs, special purposes and priorities, and as a result we have needs that are being renewed again and again. An excessive variety of preferences blunts market-oriented economic management. It blunts the strenght of interest with respect to the real priority, namely with respect to effective, competitive export.

Reverting to the charge of excessive withholdings: our system of taxation is one-sided. In my judgment direct taxes paid by enterprises are so high that they are counterproductive. Part of these taxes should be transferred into subsequent processes, i.e. partly through the value-added tax into the production process and partly into the personal income tax system. This, however cannot be accomplished in 1987 partly because it would be technically infeasible, and partly because of the strong effects of reorganization. If we want to avoid an increase of normative taxes in 1987, some heretofore exempted organizations will have to pay taxes also. These include organizations that were exempted from paying wage and property taxes.

[Question] Many are critical of property taxes because property taxes are unrelated to the economic management of an enterprise.

[Answer] Property taxes are better than the amortization withholding had been, on the other hand, together with the accumulation tax, it would disproportionately increase the value of dead work as compared to profitable work. Tax reform would make changes also in this respect.

[Question] Organizational decentralization that had its beginnings in the early 1980-s has lost a lot of impetus, even though there are financial incentives being offered by the Ministry for organizational independence, at least until the end of 1986.

[Answer] It is our intent that this preference survive after 1986, in fact we want to see it increase. The decentralization efforts of the Ministry of Finance pertained to overly centralized organizations, primarily to trusts. To tell you the truth, there is a great lack of confidence with respect to our efforts concerning the development of market effects, and concerning our endeavours to increase the number of organizations. This lack of confidence exists in spite of the Central Committee's position expressed in April, 1984, by which healthier size ratios should be established within the various sectors even before making changes in the forms of economic management. Implementation of this directive took place in a very half-hearted manner.

I see the future of the socialist sector in business partnerships. Aside from some well-justified exceptions, I do not believe that state administrative organs are capable of determining when there is a need for the establishment of one or another type of enterprise. The possibility of business partnerships between state and private organizations must also be clarified.

[Question] Many recommend the introduction of a balanced rate of exchange in order to stimulate exports and to keep imports within rational limits.

[Answer] Considering the existing foreign trade structure, the achievement of a balanced rate of exchange would necessitate a substantial devaluation of the Forint. This would also be advantageous from the viewpoint of more rational import regulations. I am convinced, however that it is premature to talk about a balanced rate of exchange at a time when the economy of Hungarian exports is spreading to the extremes and the effective scope of the marketplace is undeveloped. The rate of exchange of course is a better tool of economic policy than broad intervention.

[Question] What is the condition for the establishment of a monetary system that would realize a uniform regulation of income?

[Answer] First of all it is the formulation of a more developed commodity market which would support the reduction of credit limitations. Historically as well as logically, the need for a modern money market is preceded by the evolution of a modern commodity market, including an export and import market. Further requirements would pertain to the reform of the banking system. Much is being said on this subject nowadays, therefore I will not go into details. A policy with respect to interest rates, that takes into consideration the requirements for a balance, must also prevail, even though the present system of taxation, and particularly the extent of taxes on profits, weaken the effects of interests. There is a need for the establishment of uniform property categories within the enterprises to allow a uniform view of both fixed and current assets. And finally, we must also consider the consequences of the changes described in the plans.

ECONOMY

HUNGARY

LOST WORKDAYS, LOW PRODUCTIVITY ANALYZED

Budapest MAGYAR HIRLAP in Hungarian 11 Jul 86 p 5

[Article by Karoly Ban: "Where Did the 88 Workdays Disappear?"]

[Text] In our article entitled "Organization" we indicated that our newspaper is launching a series of articles on the subject of work discipline and working time. Yesterday we reported on the situation in domestic trade, and here we shall discuss industry. Namely, we perambulated a concept that is gradually becoming magical: the working time base. In the various branches of the people's economy how is working time managed in Hungary, particularly in industry? How much do we actually work and how many workdays are lost in a year? By way of introduction let us only say that perhaps our article, too, shows that time is money.

If we divide Hungary's national income by 255--this is the annual work time which can be fulfilled according to the work plan--we will find the value of what we create in 1 day. Actually, however, we should divide it not by 255 but by 167 days. At least this is true in state and cooperative industry, but the figure is not essentially different for other branches. The question is, where do those 88 workdays disappear to? Or to put it another way, why is it that with respect to the annual work time base the country does not work for 88 days? Of course, put in this dramatic way the question is a bit false. We can immediately deduct 21 days of paid vacation to which the average Hungarian worker is entitled. But that still leaves 67 days that go up in smoke. Is this too much, or too little? We have no comparable international data, but these cannot always be evaluated since the system of keeping statistics differ in various countries. This cannot relieve us, however, of the obligation to answer this question if for no other reason than the fact that discipline and organization is not simply a moral or economic question in the Hungarian economy but a matter of livelihood.

We can deduct 17 more days from the 67 days in which work is not performed for this is the amount of sick leave taken by a worker in industry. That leaves 50 days for which we should somehow give an accounting. Another 2 days go for study leave, or for paid, full-day absence (class instruction, military call-up, appearance as a witness, and similar matters), but of course these are acceptable causes for the reduction of the working time base. Now we have 48 days left.

Forty-eight days are 9-1/2 weeks, more than 2 months. What becomes of these 374 working hours that disappear? At this point--at least according to the 1985 data--it is more difficult to account for the time, and both the employer and the employee must give extended explanations. At an annual level somewhat more than a quarter of a working day (2-1/2 hours) is lost because of operational breakdowns; 1-1/2 days are lost because of authorized but unpaid absence (for example, leave without pay); almost 1 full day--6-1/4 hours--is lost because of unauthorized absence. This is no small matter, for essentially it means that in the plants of socialist industry, all workers take 6-1/4 hours of unauthorized absence.

And now for the more elaborate explanations. Most of the workdays are lost as fractional days. Here is where we must look for 44-1/2 out of the 48 days. And of these 44-1/2 the employers pay for 39 days. To put it another way, there is no production in industry for eight paid work weeks. This makes the figure appear even more frightening. But let us look more closely. What are those fractional days?

Ten days are for lost time which "occurs" when work is started or finished. That is, 10 days disappear when work is started late and finished early. This is on the workers' account. The managers' account is even worse, for the working time base is shortened in industry by 16 days because of work interruptions and material shortages. To these two large categories, 9 days are added for miscellaneous reasons. All in all, 35 days of lost work can be ascribed to the employer or employee for subjective reasons. Thirty-five days or 7 weeks. Let the reader decide for himself if this is too much or too little.

To a small extent managers have sought to make up for a part of the lost work time by using overtime, but to a greater extent, they have used the added work of the enterprise workers' business partnerships (vgmk's). In this way, eight of the lost days have been "saved" but this has not significantly altered the unfavorable balance. An even greater problem is that the declining working time base of industrial manpower is compensated for not primarily by increased productivity and better work organization but by additional work performed by the vgmks outside of regular working hours. Thus, a situation arose in 1985 in which they made up for the working time of 10,000 to 12,000 workers in industry by increasing the number of vgmks participants over those in 1984. This number is greater than the reduction in the number of industrial employees. That is to say, the number of personnel in industry has not declined but in fact increased. This sheds a very bad light on management and productivity, for industrial production has stagnated in most areas. In many cases, the work time base has increased even in enterprises where production rose little or not at all.

The work time base has not been helped by the fact that in many factories it has become accepted practice for vgmks jobs to be done during regular working hours. This is the cause of the paradoxical situation, in which a material shortage at 1:30 often ceases to exist at 2 o'clock. Eva Vincze, a deputy department chief of the State Office for Wages and Labor, has said that the question of whether workers may go on unpaid leave as a group is asked. And

if so, how many? Why shouldn't they go if the employer agrees? Yes, they may, comes the answer. But in fact the workers do not leave, they come in the way they do at other times, but they do vgm work.

In recent years, the government has taken various measures regarding open hours for businesses, service organizations, and offices. But experience indicates that statutory regulations drafted for the defense of producer work time have hardly justified the hopes attached to them. The practice of "dodging out" and "I'll run out and come right back" has become customary at the enterprises, and most of the employers have been fully assimilated into this situation. This is also shown by the fact that clients seldom visit offices during the extended working time after regular working hours, so that in the service sector and at OTP [National Savings Bank] branches, employees have nothing to do but to rest on their elbows.

How many days are lost for this reason--to put it more exactly, because workers like to run their little errands during regular working time--can be statistically shown only in gross estimates.

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ECONOMICS

HUNGARY

RAMIFICATIONS OF PERSONAL INCOME TAX ANALYZED

Budapest FIGYELO in Hungarian 4 Sept 86 pp 1, 6

[Article by Dr Mihaly Kupa: "Personal Income Tax--The Law Is Being Prepared"]

[Text] A concerted effort to bring about tax reform with respect to both enterprise and personal income has been under way for quite some time. This effort has accelerated during the past 6 months. This work has been accompanied by debates that periodically flared up just to be extinguished again. Throughout this period, there loomed in the background the expressed or unexpressed criticism of today's taxation system and the need for reform. In turn, this need has created demands that often completely contradict each other.

I do not intend to continue the debate in the framework of this article. Instead I would like to broaden the basis of these debates. I would like to present the concept of personal income taxation, the fundamental principles of which had been generally agreed upon. With respect to the particulars, however, a number of questions are still open for debate. These particulars include the tax rate applicable to employed persons, the treatment of effects on enterprises and on individuals, and the final effective date. First of all let's see why we need a personal income tax?

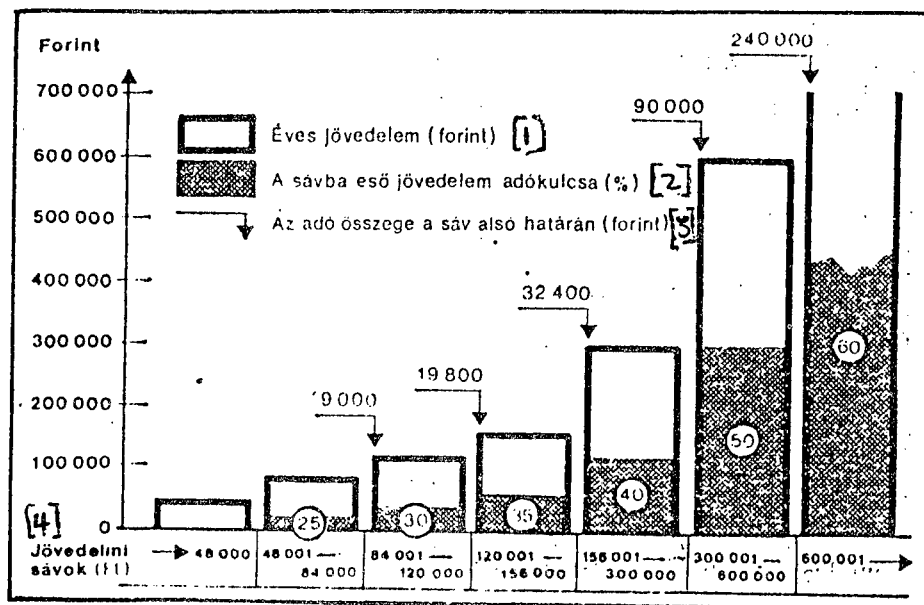
The introduction of a personal income tax system in Hungary had been justified by socio-political reasons. These reasons included the disproportionate sharing of the public burden due to differentiated income, the spread of unrecorded income and the related difficulties with respect to its treatment. It is for this reason that through the establishment of a uniform basis for personal income taxation we intend to sustain the fundamental socio-political principle. This principle requires that income shall be differentiated on the basis of achievements, that the share of the public burden shall be proportionate to income, and finally, that need shall be the basis for granting those social benefits that are not based upon the rights of

citizens. A more thorough analysis, however, suggested that the introduction of personal income taxation is also supported by our endeavours in the field of economic policy and management.

Today's system of income taxation is based on the notion that the income earned is already being properly regulated at the time the income is being generated, and therefore there should be no need for subsequent correction (through taxation). This notion is based upon the idea that income levels correspond to differences in effectiveness and to socio-political objectives. (This presumption takes into consideration income earned during primary work hours only, and fails to differentiate between income earned, on the one hand, and disposable income, on the other. The latter is considered to be income saved or used for consumption. By now, neither of these presumptions may be considered as absolutes.) This perception requires separate mechanisms to deal with the moderation of social inequities, means that are not primarily based upon income considerations. (This logic, on the other hand, separates the idea of income earned from the concept of disposable income.)

Regulations based on these perceptions fail to recognize the real income situation of various citizens, and of various strata of citizens. We "tax" the income earned during primary work hours (e.g. through progressive pension contributions) and "tax" income earned (through general income tax, household income tax) by way of enterprising (e.g. independent business, economic work collective [GMK], work association [VGMK], second job, etc.), while during the past five years we have created a increasing variety of increasingly differentiated sources of income.

One of the possible tax schedule variations used in model calculations



- [1] Annual Income (forints)
- [2] Tax rate (%) per income bracket
- [3] Amount of tax at lower end of tax bracket (forints)
- [4] Income brackets

At present, 90 percent of the statistically measurable income is derived from the socialist sector, and ten percent originates from business transactions amongst the population. Viewed from a different perspective, however, we find that only 70 percent of all income represents earnings during primary work hours, while 30 percent is derived from enterprising. Approximately 20-40 percent of the population has more than one source of income available.

Regulation and taxation of the various possible sources of income is extremely complicated. The size of income and the related share of public burden is not being determined by the activity being pursued (nor by the achievement!). Instead, these are being determined by the organizational form in which the activity takes place, together with tax considerations related to a particular organizational form. Taxation is not neutral. To the contrary. For example, in the event that a citizen spends his primary work hours as an employee of a state enterprise, but in addition is also a member of a GMK, obtains rental income from his summer home and has some citizens' bonds, his income will be taxed as follows:

- * as an employee he will be paying social security contributions, wage taxes, general income taxes, taxes that are governed by income regulations and pension contributions;

- * as a member of a GMK he will pay an association tax, general income taxes, social security contributions (and possibly sales taxes);

- * based on the rental of his summer home he will pay specially calculated general income taxes, recreational taxes, etc.; however

- * the interest earned on bonds will be tax-free.

We may know a lot of things about our [exemplary] citizen, but one thing is for sure: we will not know how much his real income is and what public burden decreases that income. (Each form of income represents a different "value". Accordingly, one may rule out the possibility of a uniform valuation of work and accomplishment.)

The regulatory tools applicable to income regulation are partial, and this partiality causes increasing tensions with respect to the evolution of global income (demand), within the people's economy. We endeavour to correct this partiality by applying after-the fact remedies, primarily through the drastic taxation of income earned during primary work hours. (But the corrective efforts are not too successful.) This then provides a negative incentive in areas that are effective, while on the other hand, we drive our citizens toward entrepreneurialship. (Every person has a certain minimal level of sustenance, which he must earn, on the other hand, improving one's financial situation is a natural endeavour. As of today a 100-thousand forint annual income derived during primary work hours is taxed higher than a combination of a 60-thousand forint income earned during primary work hours plus a 40-thousand forint income earned through enterprising.)

The Essence of the Concept

Introduction of personal income taxes must not be accompanied by a reduction in net income derived from earnings during primary work hours. Accordingly, we have developed a model which assures that today's net income (gross income offset by pension contributions) and the net income following the introduction of personal income taxes will be the same. The new formula for calculating net income will be gross income, offset by a linear calculation of pension contributions and by personal income taxes. Pension benefits and social benefits will not be rearranged. Significant consideration has been given to avoiding possible inflationary effects by virtue of the transition. Accordingly, rearrangements between the enterprises on the one hand, and the budget/citizens on the other must yield a zero balance, (i.e. the real positions must not change.) Accordingly, the defunct "old taxes" (i.e. wage taxes, general income taxes, etc.) and the personal income tax to be derived from the same source must correspond with each other. Finally, consideration has been given to the requirement that the tax system shall be simple and comprehensible, easily manageable by the citizens. (It is precisely this idea that speaks against family income tax.)

In consideration of all of the above, taxation based on personal income will, as much as possible, tax everyone uniformly, based on combined income, irrespective of the source of income. It will give preference to employed persons (i.e. income derived during primary work hours) by granting corresponding benefits that are deductible from the tax base. (According to current perceptions, the tax base in this area may be reduced annually by an exemption amounting to ten percent of the income. This method establishes a preference for those in the higher income brackets. Alternatively, a fixed, 12,000 forint exemption may be taken, and this favors those in lower income brackets. Accordingly, the latter method observes social considerations.) The established level for minimum existence (48-60,000 forints) is tax-free. (This, in turn reduces the potential tax base by one third.) The bulk of social benefits, (e.g. education, health care, etc) is also tax-free.

From among the social benefits rendered in the form of money, those not related to work are tax-free. (E.g. child care benefits, scholarships, etc.) Retired persons do not pay taxes, however allowances provided in addition to pension, and in lieu of earned income are taxable. Unrecorded income must be reported regularly, on an annual basis. And finally, the system provides preferences for home construction, home purchase and mortgage payments.

No final decision has been made with respect to the actual rate of taxation. But in order to eliminate wage taxes (they will be built into wage expenses) from among taxes related to profitable work, and to effectively reduce the level of profits, an average personal income tax rate of 11-15 percent is necessary. (In this respect one must consider the fact that by modernizing the social security system, today's progressive pension contributions by individuals will be exchanged for a linear contribution system. As a result of tax reform the social security contributions paid by enterprises may also be reduced.) Accordingly, we have established a tax schedule which,

"reestablishes" the previous taxes levied on enterprises on the one hand, and at the same time satisfies the extent and progression of socio-political needs, on the other.

We have presented a graphical display of one of the possible tax-schedule variations at the beginning of this article. That chart had actually been used in one of the model calculations. Using that same chart as our model, let us assume that a person has an income of 200,000 forints. At the lower end of this bracket, i.e. at 156,000 forints, the tax will be 32,400 forints. The difference between the lowest amount in this bracket, i.e. 156,000 forints, and the actual income of our imaginary person is 44,000 forints. This amount will be taxed at a rate of 40 percent.

The intent of the personal income tax system is to regulate personal income. Therefore, at the outset, for purposes of regulation, it will be necessary to segregate income derived from enterprising. Such income will be regulated by a so called "entrepreneurial tax," which will function in a manner similar to today's business association tax (which, in turn, will also be made part of the "entrepreneurial tax.") The entrepreneurial tax is linear, (similar to the excess income tax now being paid by enterprises) and will not have to be paid after amounts invested or "consumed." (Income invested is tax-free, income consumed will be governed by personal income taxes.) Preferences related to economic and production policies may be accounted for by the entrepreneur; socio-political preferences may be accounted for within the personal income tax system, pursuant to the rules of that system.

Open Questions

Several details of the personal income tax system require additional scrutiny. Most debates have been prompted by the gross income concept and the effects of that concept on individuals and on enterprises. (The introduction of the gross income concept, i.e. the re-classification of wage taxes as wage expenses, assures the wage earner working during primary work hours in the socialist sector that his net income will not have changed.)

An argument often heard, but not accepted pertains to a demand that we guarantee that in the course of transition each individual worker's income will remain unchanged. Although there would be a method to accomplish this, calculations of gross income are based on today's individual income. This type of guarantee--of political nature, to be sure--would be irresponsible. No system that pertains to the entire population contains such guarantee. Second, the implementation of such a guarantee would be technically infeasible and economically unpalatable, and would totally disregard the independence of enterprises. In practice, a guarantee of this nature would mean that irrespective of a person's achievement, a change in salary, or a change in employment, everyone would be guaranteed to receive an income identical to the one received prior to tax reform, in such manner that management at the various work places could say nothing about it.

On the other hand an unchanged net income is both feasible and beneficial. In other words, the total collective net income of today equals the "new" total net income. For this we must and can accept a guarantee.

Both the concept and the calculation preserve the relative position of enterprises (i.e. their net interest fund remains unchanged), but in doing so, the plan deals in terms of averages pertaining to the people's economy, rather than to individual enterprises. The following factors essentially determine the relative position of enterprises: the average wage in the enterprise and the distribution of income. Additional factors include the ratio of wages vis a vis the wage taxes that are to become defunct (normative, initiative and exempt areas), and finally and fundamentally differences in the efficiency of productive work among the enterprises, (i.e. the proportionate wage rate as compared to total profits.)

In the course of transition those enterprises will enjoy preference which paid wage taxes at the normative level, or, at the minimum at the level of the average wage taxes paid within the people's economy, and whose productivity is high. This is so because it is the actual average wage tax paid that is subject to replacement, and not the 100 percent normative wage tax.

And How About Income Regulation?

Well, in this respect too, naturally (?) the demand is that there should be no substantive change, the position of each enterprise shall remain intact. (The peculiar, economic schizofrenia of the 1980-s would merit a separate study to show that we should make all the changes in a manner so that nothing changes.) This demand is even more illusory than the guaranteed unchanged income of workers, since productive workers cannot be differentiated within the enterprises. It would be senseless to implement a tax reform just so that differences in productivity may be leveled off through separate channels. Not to mention the absurd: it would be senseless to introduce a tax reform that affects no one. Viewed from another perspective: considering the fact that taxation is just one of several tools of economic policy, and that in and of themselves "rearrangements of values" through taxation, without considering economic goals and the economic environment would also make little sense.

Another question within the broad context of tax reform is this: what should happen to income regulation? A consensus has been reached concerning the issue that some regulation of the citizenry's income demand will continue to be necessary in the future. Related considerations are presently being developed. One thing already appears as certain: personal income taxes will regulate the entire citizenry's purchase power (and not only the primary work hours of the socialist sector). On the other hand, by having a personal income tax there is no longer a need for a [general] progressive income tax (either on an individual basis or by enterprise.)

Today's system of income regulation can no longer be sustained (moreover the entire wage tariff and wage system is in need of an overhaul). It is easily possible that a few years after the full implementation of tax reform the present system of income regulation can be discontinued.

There are significant differences of opinion with respect to small agricultural producers. Should they be part of the personal income tax system or should we continue to treat them separately, in a manner similar to the present system. Furthermore: in projecting pension contributions should pension contributions be treated as income, or should pension contributions be accounted for after having accounted for taxable income. And yet another question: should we have a centralized system of administration for the new tax system or should the various councils be responsible for the administration of the system?

There is great interest also with respect to the socio-political aspects of the new tax system. Everyone agrees that taxation should be based on the individual, not on families. The demand for the recognition of family-social situations within the tax system has already arisen. (Preferences for employed persons and with respect to residences are of a socio-political nature.) In this respect the basic issue is this: should we provide tax reductions or tax refunds from the taxes collected, or should we provide benefits through budgeted programs, outside of the tax system. (E.g. by substantially raising the amounts provided in the form of family supplements.) If for example we would grant a six thousand forint tax exemption after each dependent, those living below the level of minimum existence (which is the threshold for tax-free treatment) we could provide practically nothing, since they have no such income from which they could deduct the exemptions. At the same time taxpayers would be stimulated to provide "sustenance", (especially if we would provide exemptions expressed in percentages rather than in fixed amounts.) From a societal viewpoint this system is more unjust, but is more stimulating. Although independent from income levels, it would be a more just system if one considers that the increase in social benefits is covered by tax receipts. Here too, an acceptable settlement requires further examination of the issues.

I have purposely avoided dealing with ideas that may have appeared under the label of personal income tax, but in reality had run counter to the concept of personal income tax. Suggestions of this nature include a different kind of tax policy with respect to the socialist sector, and a zero rate income tax, etc. These subjects may be debated after one becomes familiarized with the above conception.

Advantages and Disadvantages

A personal income tax system will achieve:

- * a proportionate share of the public burden to be paid on the basis of total (i.e. not segmented amounts of) of individual income;

- * uniform regulation of the citizenry's income at the level of the people's economy;

- * simplification of the tax system with respect to both individuals and enterprises, the functional clarification of taxes;

* more effective and more just achievement of socio-political objectives by virtue of benefits built into the system and of the fact that the benefits provider system is being built upon income profiles;

* more effective taxation of unrecorded income; and finally,

* the formulation of societally acceptable net income ratios.

Just briefly about the disadvantages: during the introductory year of the new system the following persons will be in a disadvantaged position:

* those who earn income from multiple sources and are presently being taxed per individual income source (e.g. primary job income plus VGMK income);

* those who in the past have not paid taxes after unrecorded income; and

* those who receive a pension that is higher than the average, and work besides receiving a pension.

With respect to inflationary effects: however rigorously implemented, any tax reform may produce inflationary effects. An inflationary effect may increase if enterprises, or certain sectors of industry establish compensation plans. Another cause for potential inflationary effects may be "adjustments" made in areas where gross income calculations do not take place, (e.g. VGM-s, GMK-s, independent business men.) (This kind of charging method is functional at present also.)

It should be recognized, however, that in its operation a personal income tax system is deflationary in nature. It is capable of withdrawing inflationary excess income without raising prices. In the event that the tax rate schedule is not being updated regularly, taxpayers would eventually enter the higher brackets. [Indexing.] It is for this reason that if we do not want to see a decrease in real wages merely because of the new tax system, we should properly maintain the tax rate schedule.

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POLITICS

GERMAN DEMOCRATIC REPUBLIC

NOTED PEACE ACTIVIST INTERVIEWED ON PROGRAM, PROBLEMS

Ljubljana MLADINA in Slovene No 22, 13 Jun 86 pp 8-11

[Interview with Roland Jahn, noted member of the unofficial GDR peace movement, by Tomaz Mastnak, given in mid-May in Ljubljana: "Creating Peace Without Weapons"; the opening paragraph is the MLADINA introduction]

[Text] "Take that drunken pig away," shouted the older gentlemen in the uniforms of the East German youth organization, when they saw a young man lying on a sidewalk in Berlin. The young man was on the ground because he had been punched in the face. He was taught a lesson because he wanted to display a sign on which the old Biblical slogan "Swords into plowshares" was written. And the young man was then taken away by the same people who had knocked him down.

This happened three years ago. The incriminating slogan is the slogan of the East German independent peace movement, and the young man who was punched in the mouth was Roland Jahn, then 30 years old. If the Yugoslav media had a slightly less fraternal complex, perhaps it would not be necessary to introduce Jahn. That is also unnecessary here, since in this conversation he introduces himself.

The interview was conducted after the meeting of the European Network for East-West Dialogue in mid-May in Milan, where the participants were asked whether the Helsinki documents were an illusion or a hope for Europe. After the Milan meeting, Jahn visited Ljubljana, where among other things he spoke at a lecture organized by the Ljubljana peace group.

[Question] The peace movement in the GDR already has a long history. Its "spiritual roots" go back to the end of the 1940's and the beginning of the 1950's, when the Evangelical Church expressed its opposition to the incitement of hatred between states, Cold War propaganda, and the remilitarization of Germany. The organizational extensions of this were formed in the 1960's, when the construction soldier movement developed. At the end of the 1970's, there was widespread social resistance to militarization. When did you join that movement?

[Answer] It is difficult to say when a person joins a peace movement. It is a very long process of encountering the problem of peace, and being involved

with peace issues. From time to time a person is confronted with these issues more intensively, always on concrete points, when it is necessary to put oneself on the defensive. Thus, when the law on military obligation was introduced, it happened that some conscripts said that they wanted to decide in accordance with their conscience and not take up arms. They cited the oath adopted after the end of World War II that said that no German would ever take up arms again. They consequently cited this oath, established contacts among themselves, and began to view themselves as a peace movement. That is how the construction soldier movement began, for instance.

[Comment by interviewer] The law on military obligation followed the building of the Berlin Wall in the summer of 1961, and was passed in February 1962. It encountered considerable resistance, and although a refusal to perform military service only led to prison, by the fall of 1963 about 3,000 conscripts had refused to perform military service. Their motivation was mostly religious or religious-humanistic, which forced the Evangelical Church into negotiations with the government, in which it extracted a compromise which, instead of the 18-month "honorable service" with weapons in one's hands, made it possible to serve for an equally long period without weapons, but nevertheless under the ministry of national defense. The conscripts who decided on this alternative for serving their homeland were called Bausoldaten, construction soldiers, and the people called them Spatensoldaten, "shovelers," because they really did march with shovels on their shoulders. These "shovelers" were organized into construction units, which united them and offered them an opportunity for exchanging opinions, information, and experiences, and also for jointly thinking about the future. In the fall of 1964, the construction soldier movement, Bausoldatenbewegung, the main predecessor of today's peace movement, was formed from previously isolated and separated individuals who had refused to perform military service; it anticipated or had also already formulated some of the central slogans of contemporary peace activists ("Peace education instead of military education," "Swords into plowshares"), and instead of "shoveling," demanded the introduction of civilian service (sozialer Friedensdienst).

[Jahn] A similar thing happened to me. In secondary school I participated in political discussions, took an interest in all political problems, graduated, and went into the army. I saw there how undemocratically that organization is formed, and how the whole German tradition of discipline is alive in it. I saw that it was not any sort of people's army, as I had assumed until then; and at that time an antimilitaristic attitude began to form within me, which to be sure was not openly expressed, but was active inside me. I began to look at many things differently. I still thought, however, that it was necessary to change the existing organizations from within. I thus believed that it was necessary to create a democratic army.

After finishing military service, I began to study economic sciences, which is a political study in the GDR. I discussed a lot of things again--economic problems, and also concrete issues related to democracy and the social order. In addition to this, I again began to run into the issues of militarism, since every student at a university also has to perform military service between periods of study. I must also say that before this there was a big campaign to have future students serve three years, not the normal military service of

a year and a half. I also opposed that, protested against that, and performed only the normal military service. The consequence of that was that I had to wait a year before a place was found for me at the university, which means that performing military service has an influence upon further professional development. Because of all this, I continued to be involved with this problem, and my antimilitaristic attitude was reinforced. Because I participated in different discussions and polemics in between my studies, as I said, the university administration declared that my political beliefs were not appropriate for a future economic official. I was therefore expelled from the university. Because of this, I became politicized even more, and confronted the situation even more. In spite of everything, I still wanted to do everything possible for the development of that state.

After being expelled from the university, in 1977, I worked as a transportation worker. I wanted to prove myself through my work, so that I could possibly continue my studies. During that same time, i.e. during the years 1977-1978, militaristic tendencies, tendencies toward the militarization of society, were intensified in the GDR. Military education was introduced into higher schools, there was more and more militaristic education in professional education, the dependence of university students upon performing military service was increased, etc. Since I had been thrown out of the educational process, I no longer suffered directly from all this myself, but on the other hand my friends experienced this personally. I supported them when they resisted this. The militarization of society went so far that military education was also practiced in kindergartens. Public propaganda in newspapers and magazines and on television glorified military service.

In short, whether you were still in school or not, you could not avoid this and you had to face the militarization. People discussed this more and more, and gathered and united in order to express their protest. Most of my friends who had not been in the army yet refused to perform military service, on the basis of my experiences and the experiences of our colleagues who had performed military service. They did not want to serve in the army, which is undemocratically organized and which can be used for purposes which are in principle alien to an army that is only supposed to defend society, as proven by the occupation of Czechoslovakia in 1968, in which the East German army also participated. In addition to this, serving without weapons, in a construction unit, was not a guaranteed right, but only a possibility, on which the army made a decision. An individual could only express his willingness or unwillingness to serve with weapons, and the military apparatus decided his fate. We consequently demanded the introduction of civilian service, which should be a legally defined right. An additional reason for refusing military service was the fact that construction troops no longer served in separate units, as in the 1960's, but rather in normal military units in which weapons were also used. Briefly, this was our point of departure in confronting the militarization of society.

[Question] Could you say something else about how this militarization could be seen at the plant level, at factories and enterprises?

[Answer] Combat units exist--they are called combat units of the working class--which are voluntary, but are nevertheless organized in such a way that

those who participate in them have certain privileges. These units have their own uniforms, training exercises, etc.

[Question] What kind of task and function do they have?

[Answer] On one hand, their role is a demonstrative one: they express their willingness to defend the GDR against a foreign enemy. On the other hand, they also have to defend the state internally, against internal enemies and against any criticism. These units, for example, built the Berlin Wall.

Civil defense, which has also been strengthened, is something else. This means that all organizations in a plant are subordinate to a command that is set up in case there is any danger. In the event of a war, they go back into the military structure, and the principle of orders and obedience applies to everyone, not just those directly in military units.

I can state further that the frequency of enlistments of reservists increased a great deal at the end of the 1970's; an enlistment can last for several days, and can also last for several weeks or months. Between enlistments, plants, vehicles, and plant organizations also have to be made available constantly to the army. It should perhaps be added that the public advertising of military games and toys has also increased a great deal, in order to get children to enjoy military service. We protested against all of this in various ways--with letters and petitions to the government, with protests in church, and to some extent on the street as well.

Letters, Petitions, Protests

[Question] At the end of the 1970's the arms build-up in the West European states increased, and in 1979 a decision was made to deploy missiles in Europe...

[Answer] We perceived this as a direct threat, as a danger of an acceleration of the arms race, and we protested against it. We agreed with our government in regard to this, but at the same time we also called attention to the militarization of life in our country.

The arms race, the increase in tension between the East and the West, filled more and more people with fear, and more and more of them joined the peace movement. It is not by chance that the people who joined the movement were already politicized before--people who gathered in reading clubs, who were involved in politics, Marxism-Leninism, and sociology--but also those who considered themselves Christians and were active in the church.

[Question] And where were you in all of this?

[Answer] I expressed my ideas and positions in numerous protest letters to the government, and in different appeals that I signed, for instance the Berlin appeal; I did not want to limit myself just to that, however.

[Comment by interviewer] The Berlin appeal, at the initiative of Pastor Rainer Eppelman, was signed on 25 January 1982 by 35 people, and in the

following weeks by another hundred. The contents of the appeal, the slogan of which was "Frieden schaffen ohne Waffen" [Creating peace without weapons], can be summarized as follows: 1. A war in Europe can only be a nuclear war. We will already be long dead when the soldiers in missile bases and the politicians in their shelters will still be destroying what remains. 2. If we want to live, get rid of the weapons! Europe must become a nuclear-free zone, and both German states should begin negotiations on the removal of nuclear weapons. 3. The withdrawal of the occupation units from both Germanies. 4. The discussion of peace should be continued in an atmosphere of tolerance and recognition of the freedom to express and to publish all expressed desires for peace. It is suggested that the East German government discuss stopping the manufacture of military toys; replacing military education in schools with peace education; permitting civilian service instead of the performance of military service; and no longer arranging military parades and civil defense exercises, which are possibly only a form of psychological preparation for war. 5. The balance of terror and fear is only postponing war until tomorrow. Creating peace without weapons means not only ensuring peace and survival, but also ending the senseless waste of social labor and wealth and the health of workers for the production of weapons.

Peace, Ecology, Democracy

[Jahn] Together with friends in our peace group in Jena, I demonstrated in public, for instance with signs like "Swords into plowshares," "Militarism out of our lives," "Let us renounce violence," etc. Dealing with the problem of peace led us to the issues of democracy, justice, and also to the issues of the Third World and ecology... All of this was always related for us in the Jena peace group. If they are to achieve real peace, we thought, all people must have the opportunity and right to cooperate in seeking ways to achieve disarmament. In the second place, the protest against nuclear intimidation was very important to us. They wanted to use nuclear intimidation, for example, to prevent the emancipation of Polish society. Numerous people in the East and the West, also very progressive people, argued that the Poles had to be restricted in their struggle for democracy and freedom because otherwise there would be an increase in the danger of war, since the balance of power would furthermore be disrupted. For us, the developments in Poland during the years 1980-1981 were a very important contribution to world peace and justice. We also showed solidarity with the Poles in public.

Because of our increased activity--especially in public and in plants--particularly harsh steps were taken toward our group. As long as we acted within the church they still tolerated us, but since this was not enough for us and we wanted to make our discussions public, and we wanted the full complexity of the peace issue to be discussed more broadly in society as well, the repression against us was particularly bad and a large part of the group ended up in prison. The protest by the Western peace movement was effective and led to our being released soon. Part of the group, because of its experiences in prison and because of the increased repression--they beat us and terrorized us psychologically--decided to emigrate to West Germany. Another part of the group wanted to continue to work and did work, including me. Nevertheless, in order to break up the group, they forced me to leave for the FRG, because I did not want to emigrate. The reason for this was concrete

peace activities, the causes of which should naturally be sought in further political developments. Since then, since June 1983, I have been living in West Berlin.

Getting Through to the Public

[Question] Was the method of operation of your group in Jena unique, or did other peace groups in the GDR operate, or are they operating, in the same way?

[Answer] Yes and no. Peace groups, which in terms of their content were not fixed solely on missiles but also confronted the complex social causes for the arms build-up and militarization, and which linked these issues with the issues of human rights and democracy, were active throughout the GDR. As for the form of their activity, we in Jena introduced something new, namely the fact that we left the shelter of the church and demonstrated publicly, on the streets and in squares, with our signs and banners. This was something unique to us, and consequently the repression against us was also something unique.

[Question] What happened with the participation of independent peace activists in the official peace demonstrations organized by the state youth organization Free German Youth (FDJ)?

[Answer] We in Jena also developed that form of activity. First of all we solved a technical-organizational problem that way--any other demonstration would be banned from the start. At the same time, we felt that we had to demonstrate clearly that we supported many state peace initiatives and slogans. At the official demonstrations, we then carried signs with the state slogans, but also with our own, for instance "Militarism out of our lives," or the demand for civilian service. It regularly happened that the police ripped up our signs and also beat up many of us. Nevertheless--and this is the most important thing--it became clear that the members of the FDJ--not the leadership of that organization, but its members--were nevertheless indirectly sympathizers with the independent peace movement. When they saw, for example, that our signs demanding a renunciation of violence were being destroyed, they expressed solidarity with us. This participation was also very important because many people realized in that way that we were not Western agents, as the official propaganda had accused us of being, but rather, just like the FDJ members, people who wanted peace, and that we had the same views on this as many of them. And if we look at the history of many members of the independent peace movement, we see that many of us came from the state organizations. Some were active in the trade union, others were party members, and above all many members of the FDJ later joined the independent peace movement--when they no longer wanted to accept the contradictions between the state peace slogans and the social reality of the arms build-up and militarization.

Police Destroy State Slogans

[Question] To the best of my knowledge, at the demonstrations you mentioned the police also destroyed your signs with state slogans, for example Honecker's statements.

[Answer] That is correct. And when we pointed this out to them, they retorted that what was important was not the content of the slogan, but who was carrying it. It was thus shown very clearly what the state organs were concerned with: not the content of our demands, but rather the fact that we dared to organize ourselves independently of the state.

[Question] Can you tell us what happened to the independent peace movement in the GDR and how it has expanded, and who the people are who belong to it?

[Answer] It is very difficult to say, since there is no freedom to organize. According to some estimates, 50,000 people are said to belong to this movement, but the number of sympathizers is much higher. Up to 5,000 people gather at church meetings, and more than 100,000 on church days. These are not absolute numbers, however, since many people really do not express their beliefs, or do so only on rare occasions, for instance when they refuse to perform military service.

What kind of people belong to the movement? Mainly young ones, because the dangers that threaten the members of the independent movement are great, and young people are better prepared to take certain risks, since they are after all not as materially and professionally dependent, and they do not have to care for a family, etc. These are people who join the movement because of their Christian beliefs; others join because of humanistic intentions, and yet others are led here by their attachment to the ideas of democratic socialism, while there are also people who simply say that something has to be done about the growing threat of the destruction of the world.

Women's Peace Group

[Question] If I am not mistaken, the only women's peace group in Eastern Europe is active in the GDR. Can you tell us anything more about it?

[Answer] This has to do with the Women for Peace initiative (Frauen fuer den Frieden), which appeared as a reaction to the new law on military obligation in 1982, which also allows the enlistment of women in the army. As a result of the protest against this, women established contacts with each other, wrote protest statements and letters, and in them, among other things, flatly rejected the official explanation that the new law was a step forward toward the equality of women. For them, equality with men lies in cooperating with the men who reject the ideology about the enemy and militarization, and support conscientious objection. The group also continued to be active after these protests, and from a group that was relatively small at the beginning, an independent organization throughout the GDR developed, so that working groups of Frauen fuer den Frieden are now active in numerous cities. These groups discuss the problem of peace from a specific women's viewpoint, but are also linked with other peace groups and should be viewed as part of the East German peace movement.

[Question] Independent peace groups are active in different East German cities. Do they have ties with each other?

[Answer] This is a great problem. The groups are linked to some extent, but this linkage, however, has not reached the level of real working organizations. Since it is not possible to publish information, contacts can only be made personally or through the semipublicity of the church. Contacts are furthermore hampered by the fact that there is no united church in the GDR. Nevertheless, efforts to establish contacts have been intensified recently. Certainly the groups are still continuing to act independently of each other, but a lively exchange of information is taking place among them.

Contacts With Poland and Czechoslovakia

[Question] You mentioned that the development of the Polish social movement was of great significance to you. Were there concrete contacts with the Polish democratic opposition? And possibly with the Czechoslovak one?

[Answer] These contacts were not particularly concrete. On the basis of the given possibilities for travel, there was more contact with the Poles and the Czechs than with other countries. Since it was possible to travel to Poland and Czechoslovakia without a visa, many personal contacts arose with the inhabitants of those countries, and also with and among the opposition, but usually completely by chance. When Solidarity was on the rise, more and more people from the GDR traveled to Poland, gathered information on the social emancipation movement, and established or strengthened direct contacts with the opposition. The border was therefore closed. The ties that exist between the East German peace movement and Solidarity and Charter-77 are slight today, since the travel restrictions were also extended to Czechoslovakia. Many people cannot travel either to Poland or to Czechoslovakia, and these are precisely the members of the independent peace movement. In spite of this there is successful cooperation, as demonstrated, for example, by the joint statement of members of the East German peace movement and the signers of Charter-77 against the deployment of the SS-21 and SS-22 missiles in Czechoslovakia and the GDR.

State Ideology and Dialogue

[Question] I think that in a state that officially conducts a peaceful policy and has a very strong peace ideology, it is difficult to organize an independent peace movement.

[Answer] It is very difficult to make it clear that a person really does support many state peace proposals, but nevertheless is not willing to subordinate himself absolutely to the state organizations, and gives himself the right to express his own views as well. It is thus shown that the problem of peace is not just an issue of intergovernmental agreements, but also of the freedom of social action, and that it is not just a question of disarmament and the absence of war, but also an issue of democratic rights. The same thing as for the peace movement is also true of the independent ecological movement: they persecute them because they act independently and criticize on the basis of principles.

[Question] There are politicians among us who say that all of society is a single peace movement and that for this reason we do not need a separate peace movement. I also found such an argument presented by East German ideologues, but much earlier.

[Answer] In the spirit of that argument I would say that the more democratically a society is organized, the more it is its own peace movement, i.e., we keep coming back again to the issue of democracy...

[Question] ...And we diverge from the state ideology and policy.

[Answer] It has to do with the possibility of a dialogue. In the peace movement and in the democratic opposition, there existed, and exists, a willingness to solve all of the problems in a constructive dialogue with the state organizations. Such a dialogue is possible--as an equal democratic dialogue--only under the condition that there is freedom of speech, a right to associate, a right to free information, and a right to free travel. In this sense, the peace movement has developed into a general social alternative movement. Today's problems of peace, ecology, etc. cannot be solved without the democratization of society, and the effort to democratize society is an effort to bring about fundamental social change. The concept of peace has changed, and today we are operating with a different definition of peace. It is not just a matter of preserving peace, since what exists is not real peace. Peace has to be created. Peace is not just living without war; peace is life with justice, life that is free of exploitation and oppression. Peace begins where exploitation and oppression end; where the dependence of citizens ends and where lies and subordination end is where peace begins.

[Question] And how successful has the dialogue been?

[Answer] The only dialogue the state agreed to is the dialogue in the state security prisons.

Repression

[Question] We are thus back to repression again. Could you say something more about it?

[Answer] The repression against activists in the independent peace movement differs from country to country, from case to case. It depends on the political situation. The degree of repression is also very different. Repression ranges from people not being able to graduate, not being able to study, having difficulties in employment or being transferred to more and more poorly paid jobs, to their not being able to travel abroad or within the GDR to areas where there are peace demonstrations, to psychological terror, for instance detention and interrogation by the police, and police spying, observation and supervision, the monitoring and confiscation of mail, and house searches, and all the way up to prison sentences. The reasons for repression are sometimes concrete, but mostly have to do with a continued process that is intensified until the people who do not allow themselves to be intimidated are removed. When the state organs feel that enough is enough,

the person ends up behind bars. The concrete reasons are, for example, someone writing some slogan on a wall, and then he is put in prison.

[Question] How successful is the repression?

[Answer] Repression is successful if people become afraid to demonstrate in public. In Jena, for example, we were beaten and locked up, and after all not everyone wants such experiences. Consequently, there are virtually no more public demonstrations. Fewer and fewer slogans are written on walls, and fewer flyers are printed. The peace activities have withdrawn back into the shelter of the church, and are continuing there.

[Question] What is the ideological justification for repression?

[Answer] It is a matter of citing the fact that the state is threatened by imperialism, that imperialism is threatening socialism, and that we consequently cannot allow ourselves any weaknesses. Peace activists objectively support imperialist interests, and through their activities they weaken our defensive readiness, and blunt and undermine the defensive strength of the state. This must be prevented and consequently they must be punished.

Role of the Church

[Question] You have been mentioning the Evangelical Church all the way through. Obviously it plays a very important role in the activity of the peace movement.

[Answer] Let me summarize it. The church plays a dual role, whether it wants to or not. It has done the most for the development of the peace movement. It has made available facilities where people can gather, whether they can speak a little more freely, and it has also made a substantive contribution to the development of peace discussions, and encouraged various peace activities. At the same time, we also have to be thoroughly aware that it also acts as a state apparatus. It functions as a safety valve. Criticism is transferred from the plants and the universities, where it would really be needed, to the church, and it is restricted to it; the critical potential is released through this valve. As an institution, it still continually strives to avoid conflicts with the state, and consequently suppresses the radical forces that are active within it and blocks any comprehensive criticism and discussion of fundamental social changes. It limits itself to a semipublic level, to superficial solutions, and this naturally suits the state. And furthermore, the way it is organized, it allows the state security apparatus to conduct constant surveillance of peace activities. In this sense it performs a control function.

[Question] Has the church demanded legal and constitutional recognition of conscientious objection, and the refusal to perform military service?

[Answer] It has not done this. To be sure, it says that a refusal to perform military service is a clear sign that a person is speaking out for peace, but nevertheless it is not advocating a comprehensive and legally guaranteed constitutional right to refuse to perform military service. It is willing to

assist in resolving individual cases, but it is not willing to demand comprehensive legal solutions.

[Question] What is your assessment of the situation now: as a stagnation of the movement, regression...?

[Answer] The movement is quantitatively stagnating, and people are emigrating to private life or to the West. But I think that qualitatively it is improving. There is an attempt to grasp problems more and more comprehensively. This is promising, although the question is how many people will be willing to become involved directly, and quite openly. Solidarity is necessary, both in the GDR and also as international solidarity. It is very important for the movements in the West that are advocating disarmament and democratic social changes to show solidarity with the part of the East European peace movement that considers itself a democratic opposition.

Differences Between the Eastern and Western Peace Movements

[Question] You have been living in West Berlin for three years. You are working with the Greens and with the Alternative Paper, and you are still participating in the peace movement. How did you get along in your new environment, and what differences are there between the Eastern and Western peace movements?

[Answer] In the West, there are completely different possibilities for organization, contacts--possibilities that I could only dream about before. There is no more daily fear of prison. This, of course, does not mean that the government apparatus in the West does not use repression. When I participated in demonstrations against some American air base, I suffered from Western repression myself, when the police attacked us with water cannons and beat us. They arrested me and I had to spend a month in jail. There are completely different possibilities here for defending oneself against repression, however. In the GDR, I would have gotten ten years for the same action.

As far as political experiences are concerned, I have to say that at first, when I arrived in the FRG, I was disappointed by the peace movement here. Everything was invested in opposing the deployment of the American missiles and oriented toward those missiles, and there was not even any attempt to discover the causes of the arms build-up, much less eliminate them. I engaged in polemics against this, and reproached the peace activists for not being able to realize the links between armament and human rights, to think about the connection between peace and ecological problems, etc. Recently part of the Western peace movement has made a great deal of progress in this regard, and discussions of security are now part of the treatment of the relationship between the state and society, etc.

Furthermore, there were very few people in the Western peace movement who were prepared to deal with the question of Eastern Europe, and those were often strongly influenced by the Eastern governments, and were guided by the communist regimes. There are, of course, others, increasingly more numerous, who have begun to deal with this issue because of decent impulses. They link

the issue of peace most closely to the issue of democracy, and assert that a dialogue between the East and West, between the democratic social movements and initiatives in Eastern and Western Europe, is necessary, and that a rather considerable readiness for such a dialogue exists.

Dialogue Between East and West

[Question] In your opinion, what are the prospects for a dialogue between the East and the West?

[Answer] It seems to me that at present they are rather poor. So far this dialogue has only taken place at the state level, with agreements and treaties between governments and governmental institutions. The fundamental prerequisites for a real dialogue between societies and among people do not exist. The rights that are a necessary foundation for such a dialogue are not respected: they are written down, for instance in the Helsinki documents--I am thinking of freedom of speech, the right to free information, to the freedom to travel, etc.--but they have nevertheless not been implemented; they are a dead letter. Consequently, one of the first and most important and necessary matters is to realize these conditions. A political dialogue between states is not sufficient to solve numerous modern problems--armament, peace, ecology, etc. It is necessary to intensify cultural exchange, contacts and agreements between peoples and individuals, and the dialogue between societies. That is the only way that it will be possible to get rid of the existing tensions in the world.

[Question] I am interested above all in what you think about this social dialogue and within its framework, particularly the dialogue between the Eastern and Western peace movements. To put it roughly, the Easterners distrust the Western peace movements, while the Westerners somehow do not understand what is happening in the East. Consequently, there is mutual restraint, and a dialogue can only be started with great difficulty. Vaclav Havel wrote an essay last year with the title "Anatomy of Restraint," in which he tried to explain why the East Europeans are so reserved toward the Western peace movement. Do you think that the Westerners should also take such a step now and reflect on their lack of understanding and restraint toward the democratic opposition in Eastern Europe?

[Answer] Such an analysis should be made in any case. This restraint in the West, however, is not based on people trying to disassociate themselves. Instead, it has to do with the fact that they are simply not aware of the things that concern the East European democratic opposition; these things are beyond their comprehension. The issue of the freedom to travel and freedom of information does not exist for these people, and it is not possible to make it clear to them. If they are not aware of this, it is also very difficult to write an anatomy, to do something like Havel did, from their Western point of view. The Easterners are very well aware of the nuclear danger, but the Westerners naturally live in their own environment and are not capable of imagining the circumstances in which people in Eastern Europe live. An anatomy of Western restraint would have to be handled as a gradual realization.

[Question] Do you think that the ideological differences are that great?

[Answer] But they are not ideological differences. It is simply a question of how you experience the world. East Europeans live under a dual threat. They are threatened by the arms build-up, the danger of nuclear destruction, and they are threatened by ecological catastrophes wherever they manage to end up, while on the other hand, they are threatened by the repressive apparatus of their own state. West Europeans do not feel these other threats as strongly, and are possibly not aware of them; they concentrate on the threat of a nuclear catastrophe.

An interesting experience, since I have been living in the West, is that those who have a certain sensitivity to East European issues are primarily people who have lived or are living in dictatorships. It is easiest for them to understand the position of people in Eastern Europe; they know how a person suffers under the state's repressive apparatus. It was easiest for me to reach an understanding on this with the Greeks. This conscious background is lacking for the West Europeans; and this experience is foreign to them.

If the dialogue between East and West is to be successful, it must begin precisely here, and must try to expand the Western awareness along these lines. In other words, the dialogue between the East and the West should include this. Concrete situations should be taken into account in the dialogue, and an attempt should be made to view matters from the background of the experiences of the other party to the dialogue. There have been so many disagreements and so many contemptuous opinions, for instance, about the attitudes of Poles toward the United States. No one even asked where and what the causes of such attitudes were, in what kind of situation they were expressed, etc. First of all it is necessary to know what the reality is like, and take that as the basis, and then we can conduct a dialogue, and if necessary also engage in polemics...

[Question] I have a feeling that some Western peace activists are more concerned with a dialogue about a dialogue between the East and the West than with a real East-West dialogue. On the other hand, it seems to me that they would only like to help and that it has not occurred to them yet that the Easterners can help them on certain issues, as if they cared more about humanitarianism than about real joint action and cooperation.

[Answer] Unfortunately, I have to admit that I also have that feeling. Sometimes there is no real interest in learning about East European reality, and this whole undertaking often seems like intellectual self-satisfaction to me. What I want to say is that it happens that some people take advantage of the East-West dialogue to get something for themselves. Participation in this dialogue is often an alibi to prove that a person is not a communist puppet.

As far as assistance is concerned, I must say that sometimes I really have doubts about the willingness to help. In this regard I am not thinking of the assistance from the special assistance organizations, which operate in a concrete manner, but rather of the assistance of many groups in the European Network for East-West Dialogue.

For example, let us assume that in a certain country a hundred people gather to talk about the dialogue between the East and the West--all of this costs so much that they could set up an entire publishing house in Poland for that money. It is thus necessary to ask whether the East-West dialogue has been a pretense, whether it is its own purpose, and whether it is possibly not concerned with concrete assistance at all...

These critical observations must continually accompany the positive elements that have begun to develop in this dialogue. This critical attitude must be adopted in reexamining every step in development; only then will the dialogue between the East and the West be successful, and only then will it be alive in the true meaning of the word.

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[Article by Dr Helmut Fehr, staff member at the Institute for Sociology at the University of Erlangen-Nuernberg: "Political System and Special Interest Politics in 'Actually Extant' Socialism: On the Relationship of the State and the Evangelical Churches in the GDR"]

[Text] Like other 'actually extant' socialist countries (Poland and Hungary in particular), the political system of the GDR is increasingly confronted with new procedural problems. One of these in particular will show what we mean: it is the functionally necessary adaptation to conditions within the society, i.e changes in the relationship between the state and society; between political institutions of the state and social organizations such as labor unions and/or corporate entities such as the evangelical churches which can no longer be dealt with on the basis of an analysis of the meaning of the "essence" of Marxist-Leninist ideology. Nowadays, GDR legal experts and social scientists frequently limit the ideological self-definition of the political systems of "socialist power" to a mere statement of principles which precedes their actual analysis of the functions of government.

The analyses of government functions and political life which are based on systems theory focus more or less directly on the issue of qualitatively different problem-solving capabilities on the part of government and on changes which affect integration policy. "One major new approach in this context has been the analysis of the actual location, the functions and the role played by individual components of political organizations from the standpoint of causal-genetic and structural-functional factors. In doing so, we were able to overcome the inclination simply to explain the nature of individual political organizations, institutions and movements "on their own terms" and to provide a relatively separate explanation of each."

Let us point out one conclusion reached by the systems analysis of the political system:³ substantive findings with regard to the actual workings of the political system, about its inherent components or subsystems and external exchange conditions are to be stated in a "differentiated manner."⁴ The conditions affecting government integration policies are defined once "complex" levels of the exercise of power are taken into account. "In my view," Schoeneburg writes, "the political system of the ruling working class is characterized among other things by the fact that it provides (both as a total system and through many of its components) for a variety of intentional and, in some instances, non-directed or even spontaneous activities by groups or individuals (in the sense of "seminal forms of consciousness") which do not take shape outside of or alongside of socialist organizational structures for the purpose of exercising power but which can be integrated into the overall organization of political power under the leadership of the party."⁵

These considerations are not quite explicitly based on a state requirement of special interest politics. But it is characteristic of this conception of the exercise of power that the question of the functionality of the political system is made to depend on whether the state succeeds in taking note and taking account ahead of time of non-organized activities and of attitudes, goals and new interests which develop outside the political institutions of the party and the state.

But this points up a fundamental problem of the corporatist mediation of interests (without accepting the analogy in toto) on which the analysis of state special interest politics in capitalist industrial societies (e.g. the FRG, Great Britain, Austria and the Scandinavian countries among others) also tends to concentrate, i.e. the increased capability for integration on the part of the state by means of anticipatory resolution of conflicts and confrontations between the state and society. Interest groups acting in a corporatist fashion "enjoy state recognition or license, if they have not been formed at the urging of the state in the first place. In the areas which they represent they are explicitly granted a monopoly of representation. In return, they are required to accept certain provisos in the selection of their top personnel and in their demands or expressions of support."

I. Corporatist Aspects in the Analysis of Socialism

Socialism research has for the most part looked into the problems of a corporatist special interest policy⁸ pursued by the mass organizations such as the labor unions and at the participatory privileges enjoyed by the industrial labor force within the context of state and law. The conclusions reached with regard to the political significance of corporatist structures have included analogies to trends in West European countries

toward legalization of trade union special interest politics⁹ and the acceptance of an indigenous version of state¹⁰ or authoritarian¹¹ corporatism. In addition, various types of corporatist arrangements in the relations between the state and/or party on the one hand and the labor unions, churches and social organizations on the other have been analyzed against the background of specific national characteristics and systemic crises.¹²

Studies on the GDR which have dealt with legalization trends in the relations between the state, the mass organizations and society as a whole have primarily focused on an increased tendency toward legalization of the participatory possibilities of the labor force,¹³ on specific aspects of an "actually extant socialist corporatism"¹⁴ and on the concept of a partial transformation of the basic socio-political consensus in the GDR. These studies tend to agree on the fact that the emergence of corporatist elements in the socio-political system of the GDR may be viewed as an expression of a change in the party's own instrumentalistic formulation of policy.

The following study proposes to deal with the relationship between the state and the evangelical churches in the GDR in the form of a case study of an attempt at a settlement of differences based on the corporatist model. We will first look into the causes and areas of conflict affected thereby in the relations between the socialist state and society. Secondly, we will try to determine whether developments over the past few years in the direction of a consensus-oriented relationship between the state and the churches in the GDR may be viewed as constituting a trend toward social corporatism. And thirdly, we will examine the closely related question (which can be answered by evaluating the statements made by state and church spokesmen) as to how attempts at arriving at a corporatist consensus have affected the legal status of state and church actions.

II. The Characteristics of Corporatist Special Interest Politics

Although Marxism-Leninism, by its own definition, includes claims of supremacy¹⁵ vis-a-vis other world views (above all the Christian world view), the representatives of the party and the state tend to adhere to more consensus-oriented standards in their dealings with the churches in the GDR. According to a statement by Paul Verner in 1971, the state has no plans for socializing the church.¹⁶ (This policy statement was made at about the same time that the state extended official recognition to the church.) A more recent statement on the outlook for joint political action between communists and Christians reads as follows: "In the spirit of genuine tolerance, communists respect religious faith and practice. Communists do not force adherents to a religion to adopt the scientific-materialistic world view, nor do they make its acceptance a precondition for cooperation."¹⁷ Conversely, party officials (e.g. Paul Verner) have stressed the "insurmountable ideological differences between Christians and Marxists" which cannot be overcome through cooperation in specific instances or a policy of consensus.

This defines a pivotal corporatist structural feature of the relationship between the state, the party and the church, i.e. the recognition of the independence and (ideological) difference of the individual participants who move from a previously antagonistic conflict of interests toward a politics of compromise and limited agreement. In this regard, Bishop Schoenherr is correct in describing the relationship between the state and the Evangelical churches in the GDR as one between groupings which differ in terms of ideology and "power."¹⁸ "The tension which exists between the dominant materialist world view and Christian faith must be endured," Schoenherr says. "We must resist every attempt at blending [the two]. We are grateful for the fact that the attempt to create a "socialist theology" has failed once and for all."¹⁹

In a different context, Schoenherr took occasion to underscore the central problem of identity ("independence") of the participants in the corporatist relationship. "The meeting on 6 March," he said, "did not bring about a fundamental change in the history of state-church relations in the sense that the two might have undergone a complete transformation. Although we each remained the same our relationship became more clearly...defined. Ideologically speaking, the GDR is a Marxist-Leninist state with all that this entails."²⁰

Another problem of corporatist politics in the GDR also relates to the practice of "substantive," specific agreements between representatives of state and church since 6 March 1978, i.e. the efforts by both sides to apply the policy of mutual recognition of the differences in power and interests down to the grassroots level.²¹ Land Bishop Hempel has properly referred to this policy as an "experiment involving risks."²² For the socialist state, the risk involved consists in entering "for the first time ever into an arrangement with the churches whose program includes the principle of social ethics and these socio-ethical activities touch on the prerogatives of the state."²³ From the ideological point of view, the state give up its claim to supremacy in this field. In addition, the state must grant the churches freedom of action and independent responsibilities. For the churches, the risk involved is concentrated on "neuralgic ideological spots," as Schoenherr has put it, such as schools and institutions of higher learning. Discrimination against young Christians cannot always be overcome by means of "agreements" between representatives of the church and officials of the state. The state has failed to respond to offers [by the churches] to discuss these areas of conflict"²⁴ which demonstrates that corporatist arrangements between the state and the churches can simply be rescinded, if the stronger of the two partners so chooses.

Members of church congregations and young people have criticized [the church's] consensus policies in connection with "unresolved" issues such as the use of construction soldiers, the creation of alternate forms of military service and the possibility of non-arms bearing service for reservists under oath,²⁵ the practice of education in military affairs and the imprisonment of members of independent peace groups in the GDR.

Like any other organization, the church has been faced with an internal dilemma which has also been a problem for labor unions in the FRG and in other Western European countries within the context of corporatist special interest politics, i.e. its policy of reaching specific compromises with state officials was viewed with suspicion and a process of alienation between members of congregations and **young** people on the one side and the representatives of the church leadership on the other began to develop.²⁶ The risk involved for the churches thus consists in the fact that they may be able to increase their freedom of action "on the outside," i.e. vis-a-vis the state, but that they simultaneously expose themselves to a continuous test of their integration "on the inside."

Both representatives of the state, such as Honecker, and the church leadership have increasingly characterized the changed "realistic" relationship between the state and the churches in the GDR as open, full of confidence, in keeping with the constitution and constructive. "The church under socialism"²⁷ and "fundamental trust" between state and church²⁸ are representative of formulas or stepping stones which lead toward a changed legal basis for the activities of the two (previously antagonistic) sides. The arguments for the choice of their own (as well as the common) legal basis for consensus are outlined by church spokesmen. The discussion of key concepts such as the "welfare of mankind," social responsibility, justice, power as well as confidence in things in general and the future of the world occupies a central role in debates at synods and other church forums. In these debates, the statements by the bishops and church representatives reflect a view which is characteristic of the self-defined role of a partner in a corporatist relationship, i.e. his responsibility to society as a whole. This is viewed as an expression of the attempt to look upon the dialogue with the state as a learning process.²⁹ This may also entail a critique of political decisions by the state. The churchmen tend to view the responsibility for the environment and the future of mankind no longer as a problem susceptible to traditional political solutions alone. They are therefore calling for a more comprehensive approach to the question of social responsibility (with application to the natural environment as well). With the intent of offering a practical critique of ideology, H Falcke and others³⁰ are casting doubt on the idea that concepts and models such as the socialist way of life and scientific progress provide an adequate basis for the study of the conditions responsible for the environmental crisis. In this manner, church spokesmen are indirectly criticizing narrow legal parameters for political and economic decisions made by the state in the GDR on the basis of primarily technocratic considerations.

We can say one thing: in its relationship with the state, the church does not merely play the role of an approving spectator. Quite the contrary: time and again, church representatives have initiated even public debates on the meaning of traditional political bases of legality and have been raising questions with regard to the outlook for a change in the moral and

political principles which underlie life in a socialist society. They are also frequently raising questions regarding the meaning of global concepts of integration such as "humanism" and "humanity." The object in this latter instance is to lodge an ideological critique--in spite of some parallel views on basics--which points up the differences in the legitimacy of Christian life and action as opposed to Marxist-Leninist policies.

This leads to still another central aspect of corporatist special interest politics. The organizations and/or institutions involved stress the differences between their basic positions in order to demonstrate that they are engaged in working out a temporary, consensus-oriented compromise on a voluntary basis.

In continuing our discussion of the corporatist special interest politics engaged in by the church vis-a-vis the state in the GDR, let us now turn to one more key concept, i.e. the concept of partnership, which is invoked in the sense of bearing responsibility for the "welfare of all" by the representatives of the church.

A Schoenherr, J. Hempel, H. Falcke, M. Stolpe and others have stated in no uncertain terms that they are opposed to having this concept emptied of meaning in favor of all-encompassing compromise formulas--which is what the state officials would prefer. "With reference to the idea of partnership, it is important to keep the element of sharing and taking part in consultation and decision-making in mind, which is contained in the ecumenical precept of participation."³² They are thus calling for consensus-oriented standards in decision-making processes involving social issues which go beyond the instrumentalist interpretation of participation on the part of the party and state officials. Participation, which takes place in an "open climate free of fear," as Falcke and Hempel have put it, would lend a qualitatively new political content to compromise solutions reached by the state and the churches on the basis of "constructive cooperation and respect for different viewpoints," in the words of State Secretary Gysi. The legitimacy of the exercise of power would then be assessed (in each individual case) by a public which does not restrict itself to playing an acclamatory role. The actual praxis of corporatist consensus in the GDR, however, tends to demonstrate that the state is forever trying to limit such tendencies to the intra-ecclesiastic public, e.g. at synods.

III. Ideological Problems

What are the ideological problems facing the SED and state officials as they enter into a dialogue with the Evangelical churches for the purpose of arriving at compromise solutions? The state and the party must grant participatory privileges to a social institution which, unlike the FDGB and the bloc parties, is not guided by the ideological and organizational premises of democratic centralism, by the avant garde principle or the idea that the party acts as a transmission belt. But the really crucial problem arises on a different level. By entering into a corporatist consensus relationship with the churches, the party and the state become confronted with problems of legitimacy which may be subsumed under the concept

of "ideological coexistence." Marxism-Leninism's claim to supremacy, i.e. "the ideology of the working class is increasingly becoming the world view of society as a whole"³³ is relativized in the course of the dialogue with the churches. In return for agreeing to making compromises, the church calls for "generally" accepted formulas of coexistence, e.g. "we have stated any number of times that the statement one hears on occasion that 'there can be no such thing as ideological coexistence' does not apply to and is a threat to social life."³⁴

The conduct of the debate on the principles governing the way of life as well as economic growth and social change in a socialist society demonstrates that the representatives of the party and the state tend not to rise to the level of argumentation attained by church authors³⁶ as they take recourse to uninterpreted values and models of Marxism-Leninism.³⁵

Let us now turn to another matter which throws light on a crucial aspect of corporatist consensus. The initial idea is to neutralize "antagonistic" ideological self-interpretations by both sides. But in the course of dialogue certain problems which might appear to have been left out of consideration as a result of the self-limiting demands made by one side (i.e. the church) could reemerge, namely the ideological problems of "actually extant" socialism. The peace debate, controversies regarding the social status of young people in the GDR and demands for granting participatory rights to the individual are an indication of the dynamic nature of ideological problems in the relationship between the church and the state. The differences with respect to these fundamental issues also provide an insight into the future prospects for corporatist consensus between the state and society in the GDR.

IV. Peace Policy and "Actions for Peace" by the Churches

In the peace debate during the past few years in the GDR signs of conflict began to appear which ran counter to the achievement of corporatist consensus by the state and the Evangelical churches. Although state officials and church representatives laid stress on their agreement on peace issues and on their common responsibility for problems of safeguarding peace, this was often but a reflection of their efforts at integration which stood in contrast to the actual controversies being aired inside the churches.

Starting in the early eighties, views were propounded in the congregations, in the peace movement and at the synods which went beyond the context of the consensus-oriented dialogue between the state and the church leadership, e.g. pacifist positions came to be included which disputed the standards of balance advocated by the state's peace policies. "While the current debate on security policy is almost exclusively focused on the question as to the lengths to which a disarmament strategy, tied to national and alliance security interests could (conceivably) go," said a 1981 position paper prepared for the congregations, "the pacifist challenge reminds us not to lose sight of the real meaning of peace policy in terms of its stated aims. Pacifism's claim on political life is a critical and normative one."³⁷

To justify the corporatist approach, the church must call upon the state to accept normative-critical standards of political rationality--which is another way of pointing out the "ideological differences" between the two sides, i.e. church and state. The position of "instrumental" rationale which is a hallmark of state security policy is thus confronted with a political rationale which rejects this selfsame ideological rationale for the state's special interest policies--the rationale being pacifism which is based on the political idea of survival.³⁸

The contrasts in political orientation are of such a fundamental nature that they cannot be resolved simply by issuing appeals for the resumption of talks about the problems of peace. In fact, the call on church representatives to clarify the "differences" in peace policy approaches in their discussions with the GDR government is motivated by the aim of applying pressure on the state to justify its legitimacy. In this sense, the synodal resolutions in opposition to the growing militarization of life in the GDR³⁹ can be seen as attempts by the church to document its ideological differences with the state.

The reference to ethical standards to guide "actions for peace" raises problems for the representatives of the church which can be interpreted as communication problems in the relationship with their congregations. J Hempel made reference to this dilemma by citing the tensions between actions based on a moral code and the need for actions which are based on realism on the occasion of the 12 February 1982 peace forum in Dresden. The communications problem is not the only obstacle between the representatives of the church and their congregations; there also are dangerous signs of a divergence in the goals advocated by the corporatist decision makers and the members of the congregations.

The difference in aims becomes apparent whenever the demands by the peace movement amount to structural incursions into state prerogatives. While the introduction of non-arms-bearing military service for "construction soldiers" could still be worked out as part of a compromise between the state and the churches, the initiative for "social service for peace" has a different connotation. The controversies inside the churches with regard to the actual character of such a social service and the state's reactions are an indication of the fact that areas of conflict have been touched upon in this instance which are to be "channelized" by means of corporatist consensus. The basic premise of corporatist special interest politics, after all, is the functional separation⁴⁰ of those areas in which the state and the churches accept each other's monopoly of representation.⁴¹

A statement by Klaus Gysi, the GDR state secretary for church affairs, on the proposal for a social service for peace speaks to this tacit agreement between church and state. "The bishops are quite aware of the fact," he said, "that this would amount to interference in the most basic rights of the state. The agreement on the construction soldier concept has worked out well and we see no reason to depart from it. Anyone who is not in agreement with this unequivocal position adopted by the state is saying that he is looking for confrontation."⁴²

Against this background, the position of the church leadership can be defined somewhat more precisely. The Evangelical churches are not pushing their demand for a social service for peace to the point where there is a danger of confrontation with the state and a complete breakdown of the corporatist consensus. Nonetheless, there have been repeated indications at the synods that the idea of social service for peace and/or substitute service for conscientious objectors (as a first, self-restrictive step in the direction of expanded options for non-arms-bearing service in the NVA) is having an impact on discussions with the state.

A "status report" prepared for the (31 January-2 February 1986) synod of the Union of Evangelical Churches in Berlin defined the meaning of this policy as follows: "It lets us hope that ways toward an understanding on as yet unresolved issues will be found although the synod's calls for the introduction of civilian military service and for the option of non-arms-bearing service for reservists under oath have thus far been turned down out of hand."⁴³

V. Young People's Expectations of the Church

As a rule, young people in the GDR see themselves confronted by political structures which exert strong pressure on them to conform. State institutions, industrial plants and schools are viewed as self-perpetuating embodiments of power which confront young people with the choice of "allowing or not allowing themselves to be integrated along with everyone else."⁴⁴ The church as an institution often is the object of expectations and suspicions based on [young people's] experiences gathered in dealing with state institutions.

The suspicions are based, for example, on carefully weighed decisions by the church leadership with regard to peace policy. "I am only 19 years old but still I no longer have anything to lose," said one young man, in expressing his unhappiness with church-state accommodations. "They just keep on talking behind closed doors. Do they want to keep us waiting until the world collapses?"⁴⁵

Young people do expect something from the church, since it is one of the few institutions in the GDR which permits them "to act their age." This view of the church as an independent institution which provides young people with a free space to realize their own projects and satisfy their particular needs is at odds with that of the role played by the representatives of the church in cooperating with the state in order to achieve consensus. The most recent synod of the Berlin-Brandenburg land church referred to this problem in the following manner: "Young people often expect a great deal from the church. They expect the church to take a clear stand on important issues and to act accordingly in a resolute and unequivocal way. Overly temperate decisions and statements by the church leadership are frequently misunderstood by them and interpreted as fainthearted tactical moves and a desire by the church to conform to the wishes of the state...In the churches, too, many young people feel left out."⁴⁶

The claim of young people to self-determination and criticism (e.g. of the trend toward the militarization of everyday life in the GDR) defines the legal limits of a consensus between the churches and the state. This was particularly apparent in the controversy regarding symbols of the peace movement such as "swords into plowshares." On the one side, there was an attempt by young people to lend topical political expression to a Christian tenet and on the other there were the efforts by representatives of the church to downplay the significance of the critique of the system and its power inherent in the symbol. "You have the right to sound 'the alert' in keeping with your feelings in the matter," one of the church leaders said, "but I must also ask you to learn about serious political realities--how difficult it is to make peace policy work in our time."⁴⁷

The differences between the special interest politics of the church and the basic attitudes of young people which Hempel characterized as differences in the approach to politics point to an underlying problem. The offer of the Evangelical churches to open up opportunities for participation to young people cannot simply be restricted to the concept that "young people are a part of the church which makes its contribution and receives its share."⁴⁸ The "search for meaning in life"⁴⁹ may be deemed acceptable by the church but it cannot be represented as the goal of a consensus-oriented policy vis-a-vis the state. The fact is that the desire of young people to engage social leadership figures in open and critical debate often entails a questioning attitude toward the "meaning" of socialism--the kind of debate in which the church under socialism cannot be allowed to engage on a permanent basis. This is another way of saying that countercultural attitudes which underlie youth protest of the conventional socialist way of life cannot simply be translated into negotiable goals of the corporatist consensus process.

An indirect reference to this dilemma is made in the most recent report on the "status of young people" which speaks of a tendency toward resignation among the younger generation. "It must be assumed that the stronger the demand by the church and by society for an orientation toward authority becomes, the more resigned young people tend to get and the more they withdraw into the private sphere as they grow older [saying in effect that] 'protest is of no use after all.'"⁵⁰

VI. Individual Civil Rights

The discontent of many young people directed against the state and the youth scene in the GDR corresponds to a fundamentally skeptical attitude of the man-in-the-street in the GDR toward the representatives of government which is based on experiences gathered in dealing with state authorities. Although a petition and complaint mechanism, guaranteed by law, exists in the GDR which permits the individual citizen to lodge criticism against actions by the state, this is nonetheless based on regulations which are comparable to the legalized status accorded to a corporatist arrangement. The individual citizen is afforded a (formal) opportunity to exert influence. But the actual praxis of administrative procedure does show that the guarantees for the legalization of social relations can be curtailed, if and when the need arises.

A statement by M Stolpe, the president of the Union of Evangelical Churches in the GDR, refers to the concept of "basis of trust" in describing the difficulty of finding a rationale for this aspect of state policy. Stolpe views the gradual expansion of individual civil rights and of human rights in general as a precondition for broader-based legitimacy of state actions. He not only resorts to a "comparative analysis of systems" with emphasis on the normative promise of Western societies in calling for the recognition of civil rights but rather defines the fulfillment of constitutional guarantees as a way of establishing a more complete and more universally applicable basis of legitimacy. In the GDR, he says, "significant social and cultural rights have been attained." It is therefore all the more worthwhile "to reduce any deficiencies in individual rights and opportunities which still exist" in the GDR.⁵¹

Stolpe's call for individual civil rights growing out of a social learning process in the GDR makes it appear that one traditional explanation offered by the representatives of government and the state may by now be outdated, i.e. the generalized depreciation of the principles underlying the constitutional state as mere relicts of bourgeois ideology. The more sharply the actual lines of conflict regarding the civil and social rights of potentially "disadvantaged" groups such as "dissident" youths are defined as matters of public concern by the representatives of the church, the more apparent it becomes that relations between the Evangelical churches and the state cannot be founded on a one-sided confidence in the system. Following a meeting with government representatives which dealt with the implementation of "equal rights" and "equal treatment" provisions for all citizens in all walks of life, Stolpe said: "We welcome the new government decision

on dealing with citizen complaints and on the urgent need of taking personal concerns seriously."⁵² On another occasion Stolpe said: "The churches should encourage the faithful to avail themselves of this avenue provided by the state whenever they are faced with such problems. Justice inside our own country also helps enhance confidence in our state abroad and is of immediate benefit to the process of détente."⁵³

VII. Concluding Remarks

The relations between the state and the Evangelical churches in the GDR cannot be classified under the heading of "state" or "authoritarian" corporatism.⁵⁴ The Evangelical churches do not limit themselves to playing the part of a partner in a cooperative effort who enhances the ability of the political system in the GDR to exercise better control on the basis of anticipatory crisis management and partial conflict resolution. This part is played by the FDGB and other social organizations which are given limited freedom of action (as "transmission belts" of the party) in terms of a /monistic/ special interest politics.

Rather, the policies of the "church under socialism" are characterized by elements of social corporatism. This is another way of saying that the church, by aggressively raising demands (e.g. for civil rights and a share of the social product) and by public airing of social and political inequities, provides corporatist special interest politics with a "meaning" which assumes a change in the conditions of social integration in the GDR. In this sense, the significance of corporatist agreements goes beyond the once accepted separation of interests between the state and the churches. More specifically, we are talking about church efforts to initiate debates which cannot immediately be transformed or watered down into traditional types of integration (by means of a monistic special interest politics). In fact, the debates at various synods have shown that even already legalized compromises in different social areas in the GDR are subjected to review again and again.

One question we have attempted to answer is whether a conceptual framework drawn up within the systemic context of Western societies can be applied to an analysis of socialist societies.⁵⁵ Synod documents and statements by representatives of church and state have shown that the state and the churches in the GDR have developed forms of consensus formation which resist the kind of interpretation that resorts to the assumptions of an analysis of totalitarianism. Actual evidence of totalitarianism is indicated in every instance when a strategy of social control is pursued.⁵⁶ In such situations, the relationship between the state and society is one of one-sided domination: the state apparatus controls society in the GDR. It is evident that corporatist arrangements do not constitute a subject for the analysis of social change in the GDR from the point of view of the totalitarianism school of thought. The mere reference to limited consensus formulas which exist in the GDR would invalidate the central normative and substantive premises advanced by the totalitarian school of thought. In

this light, it seems entirely appropriate for a West German author to comment on the meeting between Honecker and Land Bishop Hempel on 11 February 1985 by noting that "much improvement" has taken place in the relationship between the state and the churches. But in keeping with the old arguments of the totalitarianism school of thought, H Matthies adds that the "regime" has remained the same, "a brutal dictatorship in many respects..."⁵⁷

Over the past few months, doubt has been cast on the independent role of the church as a social organization from another quarter. A contributor to WEISSENSEER BLAETTER, a journal co-published by H Mueller, an East Berlin theologian, stated that the Evangelical churches in the GDR are not called upon to "play the part of an 'independent social force.'"⁵⁸ Both comments, growing out different political traditions, seem to focus on the normative aspects of the role of the "church under socialism" rather than on empirically verifiable development trends. The danger of a wrong empirical diagnosis of the relatively autonomous role of the Evangelical churches as a social force in the GDR can be avoided in this way: it would be worthwhile to investigate, it seems to me, how the political impact of the growing environmental problem will be incorporated into the church-state consensus process. Another way of reaching a verdict on the significance of corporatist arrangements on social issues between the state and the churches in the GDR might be to undertake a comparative analysis of the role of the state and the churches in the GDR and in Poland.

FOOTNOTES

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9478

CSO: 2300/560

POLITICS

HUNGARY

REPORTS ON 700 MINERS QUITTING DISPUTED

Budapest HETI VILAGGAZDASAG in Hungarian 30 Aug 86 No 36 pp 52-53

[Article by Gabor Juhasz: "Wild Rumor About the Mines"]

[Text] News had spread over the past few weeks that some 700 miners had quit a coal mining enterprise last July. We have followed through and found out that there has been no mass exodus, no mass resignations. The truth is that 363 physical workers had left the enterprise in question, but, according to our sources, they have not picked up their work books as a result of the State Planning Commission's [ATB] june decision which announced the closing of certain mines.

"Some 700 miners had quit the coal mines of Tatabanya and Borsod," it was recently announced to NEPSZAVA by Peter Korompay, secretary of the miners' trade union. Although he was unable to make a definitive statement concerning the reasons, he did mention that perhaps the transition to a six-day work-week, and the July 2 determination of the ATB might have played a role.

Partly as a result of this interview the western press has emphatically dealt with this issue several times during the past weeks. Ceasing upon secretary Korompay's ambiguous words, they presented the news as if the quitting of coal miners had been a response to the planned closing of mines. Not too long after Korompay's statement, Deputy Minister of Industry Gyula Czipper had stated in an interview that the number of miners in Hungary had not decreased, but instead had increased by 240 in July and August. He did not mention the two mines by name.

We have attempted to follow up with the two mining enterprises to learn first hand whether there had been a mass resignation in July, and if so, whether the resignations took place in response to the news of the planned closure of mines, or because of the introduction of a six-day work-week.

At the Miskolc headquarters of the Coalmines of Borsod, Director Dezso Kiss presented statistical reports. According to these reports, indeed 258 physical workers had left the company, but due to the hiring of new workers the net decrease amounted to only six persons, and the number of those working underground had actually increased. The report did not show, however, the number of people that actually quit, in other words those who had quit without even giving notice. The 258 persons include those who had given notice, as well as those who retired. The latter, or course, did not retire as a result of the planned closure of mines.

The people of Borsod find it unlikely that the continuous work schedule would have prompted the July quittings. There had been no change in the Borsod work schedule this year, as a matter of fact there has not been one since 1982. There has been a 40 hour work week ever since 1982 and the system of descents has not changed either. Accordingly, while there is a five day work-week, mining units work six days. Among each other miners call this system "afikemze," because miners receive their day off on week-days, only every sixth saturday is a day off. [The term clearly mocks the system. TR's note.] (The odd name of the system was derived from a grouping of the miners. The several groups that had been established had been designated by the letters "A", "F", "I", "K", "M" and "Z".) According to the Director, upon the introduction of the system, part of the miners--mainly the young--expressed opposition, but since then the majority had gotten used to it. It did help though that their basic wages had been raised by ten percent thanks to a supplement introduced in 1982.

According to Kiss, news of the upcoming closures did not arouse much controversy in Borsod. "The collective had accepted the determination in a disciplined manner," he says. "Some emotional waves had been created nevertheless, but these did not prompt the miners to quit." The Coalmines of Borsod, an employer of 16,000 men, must gradually close down half of its mines. As reported in the July 26, 1986 issue of HETI VILAGGAZDASAG, a July 2 decision of the ATB had sealed the fate of four mines (Tervtaro, Ormos, Farkaslyuk and Rudolftelep.)

The Director emphasizes that no one will be dismissed: the 3000 workers of the four mines will find work in other mines. It is true, however, that a decrease in the number of applicants suggests that the [ATB] determination had its effect.

But the closures present fundamentally different concerns to the Coalmines of Borsod. Kiss exemplified this with the problems experienced at Farkaslyuk, a mine that employs 1100 workers. Located near Ozd, the mine supplies that industrial center with drinking water. It also maintains a cultural home and has a National Championship II volley ball team. Where is water going to come from after the closure? Who will pay for the expenses of the cultural home and of the sports circle? The Director continues to list the unresolved questions.

The closures have been scheduled for cost cutting reasons. An increase in production price had also been announced. But neither of these factors will make the Coalmines of Borsod profitable by the end of the plan cycle.

Originally they had scheduled a deficit between 1.4 and 1.6 billion forints for each year of the Seventh 5-year Plan, and now, with production reduced by 20 percent they are counting on half of that amount.

The hard-pressed Coalmines of Tatabanya also denies the rumor of mass exodus. Division Head Mrs. Jozsef Balazs shows us statistics: 105 physical workers, including 34 underground workers had left the enterprise in July. Meanwhile, however there were 135 new hires, the Division Head quickly adds, and 33 of those work underground. This year, up until August 15, altogether 887 workers had left the Coalmines of Tatabanya. This number exceeds by 25 the number of those who left during the same period in the previous year. Of these, however, 210 had retired.

The Coalmines of Tatabanya employs 11,500 workers. Undoubtedly, workforce mobility at this enterprise has accelerated as compared to the previous year. This fact, however, is not being related to the proposed closure of mines or to the work schedule at Tatabanya either. Two mines will indeed be closed (the one in Csordakut and another designated as "12/A",) but these closures will take place at the time the economically retrievable coal supply diminishes. This is anticipated to take place within a few months at 12/A and within a few years at Csordakut. After that the 1400 miners of these two plants will find work in the other two mines. Work scheduling cannot be the reason for the July resignations either. (On April 6 they introduced the so called 4/4 system, by which four shifts went underground each day, they change shifts underground, and thus they actually work around the clock. Of these 24 hours six hours are allocated for maintenance. On Saturdays and Sundays the mines are closed.) Those who wanted to quit because of the work schedule had quit already. Altogether 25 had claimed to quit for this reason, so they say at Tatabanya.

The poor financial condition of the enterprise is the reason behind the increased number of quittings, according to Mrs. Balazs. During the first six months of 1986 the financial condition of the Coalmines of Tatabanya had deteriorated to the extent that work associations [VGMK] had to wait months to be paid for work they have already completed. "The rumor had spread that the enterprise will be reorganized, and thus many have changed their minds and did not come to work here," the Division Head says.

Both enterprises are among those whose cost of production is higher than price they receive for their product. (Last year only two of the underground exploration enterprises showed profit: Veszprem and Oroszlany.) The balance sheet of Borsod came out to zero only by virtue of state endowments and through delayed amortization schedules. Not even state endowments or the delayed amortization schedule managed to do the trick at Tatabanya, they ended up with a 380 million forint deficit. (We were unsuccessful in obtaining accurate data per enterprise, but we learned that the total deficit of all coal mines in Hungary during 1985 amounted to 1.75 billion forints.) One of the purposes of the ATB determination is to put an end to deficit management in this sector by 1990, thus alleviating the related burden on the state budget. Aside from that, the ATB has no intention of decreasing the 24 million ton annual domestic coal production.

According to official estimates, some 6,000 coalminers working in 14 mines that are scheduled for closure will be able to find work in mines after coal production has come to an end. "Every miner has a palce, no one will loose his job, but, of course, we will need regroupings, and a more rational method of human resource management," it was confirmed by the secretary of the miners' trade union.

TABLE:

Number of physical workers at the Coalmines of Borsod and Tata respectively.

	Borsod	Tatabanya
July 1, 1986	13,532	9116
August 1, 1986	13,526	9146
August 10, 1986	13,508	9153

12995

CSO: 2500/487

SOCIOLOGY

GERMAN DEMOCRATIC REPUBLIC

POPULATION, CHURCH MEMBERSHIP DECLINES NOTED

Size, Structure Changes

West Berlin DER TAGESSPIEGEL in German 24 Aug 86 p 11

[Article by Michael Mara: "GDR Population Figures in the Red, Too"]

[Text] At present, the GDR has a population of 16.64 million--fewer than ever before in its history. In 1949, when the GDR was founded, almost 19 million people lived there. By 1961, the year the wall was built, according to official statistics of the GDR the population figure had dropped by more than 1.7 million to approximately 17 million. This serious loss of population was the consequence of the wave of flights, although its dimensions far exceeded the numbers quoted.

In fact, from September 1949 until the building of the wall, about 2.7 million refugees and applicants, respectively, were registered in the emergency acceptance procedure, although it must be taken into account that not all those leaving the GDR passed through the temporary reception camps. This enormous stream of refugees did not fully show up in the number of inhabitants only because of the considerable surplus of births over deaths during the 1950's. Nevertheless, the loss of population had assumed threatening proportions by 1961. For this reason, closing off the borders 25 years ago had become a necessity for the SED leadership in order to prevent a total bloodletting of the population and, consequently, the inevitable economic collapse.

Yet the bloodletting at that time shows its effects even today in the population development and structure, since there had been many young people in particular among the refugees. The memorandum published in 1961 and now reprinted by the Federal Ministry for Inner-German Relations, "The Flight from the Soviet Zone and the Blocking Measures of the Communist Regime of 13 August 1961 in Berlin," indicates that the proportion of 18 to 25-year-olds among the refugees was over 27 percent during the first half of 1961. It is obvious that this had an unfavorable effect on the age structure of the population as well as the development of births.

Although the building of the wall at first brought the expected increase in population in the GDR, the population figure has been shrinking

steadily since 1968 because of the drop in the birth rate. For this reason the GDR has been trying since the beginning of the 1970's to stimulate births through ever-expanding special social benefits. These efforts, however, were not crowned with lasting success. After the "baby boom" toward the end of the 1970's, greatly cheered in the GDR, birth rate figures have again been dropping in recent times.

East Berlin experts have computed that, due to the less favorable population structure--the proportion of middle-aged and older age groups is growing and, consequently, the average age is rising--, the GDR population will decrease noticeably in the 1990's. At the same time, the gender structure will become balanced in favor of males.

According to Eastern prognoses, the following individual trends will be characteristic for GDR population development up to the year 2010: as of about 1990, the generation of children and teenagers will decrease in absolute and relative terms. A similar process will occur in the generation of 20 to 45-year-olds, while the third generation (45 to old-age pension limit) will increase heavily, both in absolute and relative numbers. The generation of old-age pensioners, which constituted 16.9 percent of the population in 1983, will drop further until the beginning of the 1990's; after that, their share will again rise to 17.8 percent.

GDR scientists emphasize that these changes in the population structure are linked with a great number of problems, touching industry in particular, but also other sectors of society. The number and proportion of young, productive skilled workers, trained in the latest scientific and technological methods, will decrease. On the other hand, the growing proportion of 45 to 60 and 65-year-olds, respectively, will reduce the availability and mobility potential of the labor force.

The growing average age of the population will also lead to higher illness and mortality rates, for which the health service must prepare itself. In concrete terms, a great increase in days of hospital care must be expected for the middle-aged group as well as an increase in necessary nursing and health care for the older-age group.

According to the assessment by Prof Wulfram Speigner of the Institute for Sociology and Social Sciences of the East Berlin Science Academy, the aging process of the GDR population has a special momentum, because simple reproduction of the population is not being attained. Only 83 percent of the parent generation is being replaced, although the GDR can point to a high "rate of mothers." Almost 93 percent of young women give birth to at least one child. This is quite remarkable considering the almost total employment rate of women in the GDR.

The family with three children, propagated by the SED in the past, turned out to be an illusion. GDR women to approximately the age of 35 are fixated on the family with one or two children, as proven by a

representative poll. Not even the social benefits for families with several children, announced at the latest party congress, will change this in any fundamental way.

Still, the GDR wants to promote even more strongly the desire for more children and larger families through appropriate measures. Particularly young people are to be made more aware of the "family with several children" as a desirable family size. Of course, East Berlin experts do not hide the fact that the success of these efforts will depend "decisively on the type of partner relationships as well as satisfying material requirements.

Church Viability, Policies Questioned

West Berlin DER TAGESSPIEGEL in German 26 Aug 86 p 1

[Article signed J.B.: "Dashed Hopes"]

[Text] East Berlin General Superintendent Krusche recently portrayed dire prospects for the Evangelical Churches in the GDR. Many parishes are dying a quiet death because they have no young people. Many pastors' positions are unfilled, and elsewhere religious services are cancelled because of a lack of participants. True, probably no one had illusions about the difficult position of churches in the GDR; it has long been said that practicing Christians are more and more being pushed into the perimeter position of a minority. Still, the picture drawn by Krusche is in strong contrast with the optimism encountered only a few years ago, when it was noted that younger GDR citizens appreciated the spiritual freedom offered by religious communities. New hope was engendered in particular when an Eastern variant of the peace movement came to life and found a certain home in the Evangelical Churches.

For several reasons, this seems to have been a fallacy. For one, the Eastern peace movement was nourished only in part by Christian sources. Some of it was only in imitation of the Green and Alternative movements in the West. Soon the suspicion grew that the Evangelical Church, in a tacit agreement with the GDR regime, only wanted to get the adherents of the peace movement off the streets by opening its gates to their followers. The church said many a courageous word for conscientious objectors in the GDR and against militarization of GDR schools; it supported freedom of travel for GDR citizens. But it may become evident in the GDR, also, that concern with political issues alone is not enough to carry a church; its religious tenets must always be made visible by their parish members in everyday life.

Krusche also deplored the fact that the parishes were withdrawing into themselves and that, for that reason, an organization including all church subdivisions of a uniform Evangelical Church in the GDR had not been achieved. However, the sheltering withdrawal of the parishes into themselves probably corresponds to the reality of life in the GDR which

puts all sorts of obstacles in the path of active Christians. Also, the experience of many Christians may contradict the idea of a Protestant Unity Church, organized from top to bottom, whose leadership can then negotiate on an equal basis with the leadership of the GDR regime, while nothing at all changes in the reality of the grassroots level.

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